





## BY TREVOR R.

BY JUSTINIAN

in which he appeared  
s' with far too much to c  
r, Turnbull.

Now 10 lb better c  
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winner, Birds Nest  
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Comedy of Errors, w  
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Another interesting  
Wolverhampton is t  
bury Cup. Here a ca  
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At Newcastle, wher  
specialist Ben More an  
better of Doricea  
Morgan in the Castle ar  
Chase, *Justamint*,  
rated recruit from Ire  
win his first race for

ing three lb. by a head in  
w Year's Day Hurdle, with  
remainder, headed by



by B. A. YOUNG

**The Entertainment  
side is on Page 25**

**atre Royal, Norwich**

## by CLEMENT CRISP

ted tie-jackets that  
led and obscured the  
a trunk. The dancing  
ography were in accord  
he costuming.

1 to be preferred was the  
s evening's programme.  
rich's *Sinfonietta* uses a  
by the Kazimir Serocki  
"this *zietta*" (for this string  
:ras) and the strong, free  
g of the company in the  
ovement was an agreeable  
ction to the troupe. The  
declined somewhat there-  
-earnest grapplings for  
ond movement, and an  
wretched finale played out  
taps of the drum and rain  
- after the music had been  
ted — but the initial im-

**Bernard Haitink at  
Glyndebourne**

Bernard Haitink, who has conducted at the Glyndebourne Festival since 1972, will conduct not only the new production of *Pelléas et Mélisande* in this year's Festival, but also two operas, including *The Rake's Progress*, in 1977 and a new production with Peter Hall of  *Così fan tutte* in 1978.

From 1979 Haitink will take over the musical directorship of the Festival for an initial period of three years, in succession to John Pritchard who has recently announced his wish to resign from that position after the 1978 Festival.

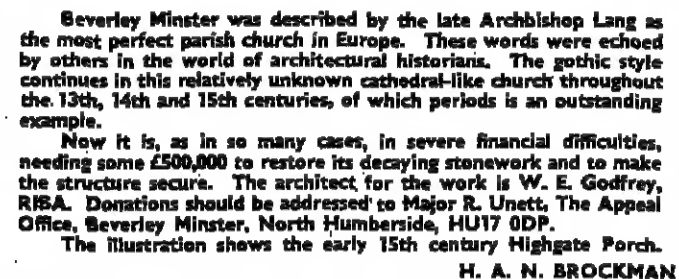
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## by RONALD CRICHTON

Jesus Lopez-Cobos is a Spanish conductor trained in Vienna under Swarowsky. His performance of Dvorak's "Lightning" (G major) Symphony at last Thursday's concert of the Royal Philharmonic Orchestra showed they have come a long way far in a short time and why high hopes are set on him. It was a lean, dapper, well-knit, leading, a little too brisk in the usual to escape the impression of a Spanish hawk. He was a little too quick (which at that point he does), but in the central movements so clear in the metrical patterns (the cross-rhythms in the trio must make a strong appeal to a Spanish ear) that he was a bit harsh and that those rhythms didn't have enough little lift. Good playing, especially from the woodwind, but in the first movement the strings were not always careful about defining inner parts.

At the concert, Mr. Lopez-Cobos had a Spanish singer of international renown and one of his Spanish work. Granados is under-rated, not least by the Americans who hear a handful of his *Conchigas* time and time again. He is a great treasure, deducing from the fact that they wear so well that they are also extraordinarily good. No such deduction can be made, however, from the *Goyescas* suite orchestrated by Ernest Schelling, which opened this concert. The excerpts come from the opera and are not at all as suave as the more familiar piano pieces. Granados wrote superbly for the piano (and was evidently a fine player), but in orchestral dress the breeding, distinction and charm of this music simply disappear. The music is a little savagely something of the real favaux, the rest is a sticky mess.

Victoria de los Angeles chose to sing eight of Canteloube's Auvergne folk-songs in the orchestral version and in the Auvergnat dialect which is not unlike her native Catalan. There is now, to be frank, very little voice left, and she occasionally controls her tone by a maculate. Yet this beloved and admired artist can still spring surprises. Her diction and her infectious gaiety between them made the "Trois bourrées" sparkle, and in the second verse of the last song she was so good at working the notes.

It was a pity that the orchestra showed how even the tiniest sound, if well projected, will carry. All the same . . .

## by DOMINIC GILL

Last Friday evening the fourth London Music Digest presented a concert of music by Luciano Berio, introduced by the composer. The major new work of the programme, given in its first performance, was *A z to z*, a 30-minute scenario of "theatre for the ears" sung by Swingle 1.

Berio calls *A z to z* (roughly translated as "A to Z") a "documentary on a scene," a "documentary on a scene," a melodrama: the original work, composed for radio in 1974-75, was conceived for performance by actors, not musicians. This second version for eight singers also a kind of melodrama, a local colour which calls on all the mannerisms of the theatre: humming, grunting, burping, whistling, smacking lips, hissing, whistling, chucking, popping—as well as speech, and the articulation, sometimes in harmony, sometimes not, of pitched notes. There is quotation (stylistic and literal) everywhere (from Beethoven, Italian madrigals, popular music).

Very good, clear and sure. It will be interesting to hear again: perhaps side by side (a service Radio 3 might one day perform) with the earlier radio scenario.

In the first half of the evening, the sisters Katia and Marielle Labèque with the percussionists Jean-Pierre Drouot and Sylvio Gualda gave the premiere in this country of *Libera nos domine* (1974) was composed as a dance score, also makes an attractive concert piece, 12 minutes long—a four-part invention a miniature three-piano concerto, built from a continuous line of melody and staccato chords, broken and fragmented. Light, sweet and like *A z to z*, *Libera* circles Berio's masterpiece *Giacca* which began the programme, now 18 years old and growing even stronger, younger. A magical performance this, sung by Cathy Berberian, superbly supported by Gualda and the harpist Brigitte Svendsen.

swinging and swiveling from extreme to extreme: from humour, slapstick and waggish, to fine tenderness, to deep-purple sentiment. One long passage explains just how many shades of Balzac he has achieved. It includes the phrase "Nel mio principio... I found it an agreeable, but shallow piece: a pretty, cleverer collection—but whether or not ultimately more than chocolate-box of slightly deepened *Stilton*—was a very interesting way of saying that his performance was

by CLEMENT CRISP

Natalya's wife, Vera, sacrifices herself for her education and "take care of the nation" by completing the nation's education and "take

Then, to bold, solid chords from the piano, Anthony Dowell (Belyayev, the tutor) enters, and the mood alters. We sense immediately that Belyayev's is a kind mind and that of Vera (the touching Denise) is a Nunn). Throughout Ashton's writing up to this moment there is a sense of the Polish quality of Chopin's language—bits of Polishness and mazurka steps—heightened by the music, and by the fact that the play is on Polish soil. Ashton's commentary upon Turgenev's text is free, but it is not a free translation of the play; in the emotional tensions precipitated by Belyayev's entry, and more significantly in the final scene, he has taken the liberty of making Belyayev's Natalia avow her passion for him. Belyayev to Raskitin, and hence husband surprises them together. Ashton now shows us a tender

and Natalya's mingled attraction and fear of his infatuation with her. She is a *bourrée* that reflect the delicate tracery of the piano writing—in Vera surprises them, arouses their household, and Rakitin announces Belyayev's take their departure. The ribbons of the unseemly dress provides a high romantic pose as Belyayev returns to kiss the ribbons of the unseemly dress. The rose she has given him. A last she is alone, holding the rose.

Master Verberies Ashton may have taken with the text—and "literal" treatment would be self-defeating for the ballet—has caught everything of the Turgenev story. The leisurely country setting, ennui of idle lives in an idyllic society, the unpredictable

Anthony Dowell makes  
Belyayev entirely credible; both  
the sexual charm and the head-  
strong youthfulness perfectly  
caught. Denise Nunn is pretty,  
delicately appealing and vulner-  
able as Vera; the rest of the cast  
is good. The production is in the  
hands of Ashton's allusive  
style. With so much to admire  
and enjoy, it is difficult to carp  
at anything. The only criticism is  
Trevelyan Oman's setting far too  
fodgy in its insistence upon  
detail. The basic shape and color  
scheme is fine, but the drawing  
room giving onto a park and  
silver birches—but the  
plethora of meticulous period  
knickknacks is a bit much.  
And the scrupulous truth of the  
costuming, smawk more of the  
museum than the stage. Period  
accuracy is fine, but it limits  
the emotional and theatrical illu-  
sion.

## by GARRY O'CONNOR

Both fall into the category of what is variously described as *Théâtre/récit* or *Lecture/spéacale*: staged readings or theatrical recitals, a more organized and polished version of the *poésie-performance* than, for example, *The Hollow Crown*, though stopping short of full-scale production. *The First, Pour Catherine* is directed by Antoine Vitez, stems originally from Antonin Artaud, and is a collaboration with the *Les Mots* group. *Le Baiser de Louis Aragon* by Louis Aragon, the last of the Left-wing poet much in vogue in the years d'entre deux guerres. The eight performers, headed by Nade Strancar, Agnès Vanier, and Vitez himself, do not quite take themselves from their well-worn texts, but they indulge in a splendidly edible meal.

is a hard one to follow, concerning primarily the political and sexual awakening of the heroine. Catherine Sironidze against background of pre-First War Russian social structures and the Russian Revolution. But even if one is only dimly aware of the gist, the range of commanding personalities deployed is impressive, and the varied exhortations—directed against the armaments manufacturers, directives to the factory workers, passionate and well-differentiated.

The evening world, I believe, benefit if we had known who exactly the group sitting down to the meal consists of. Their relevance to the *Cloches de Paris* is not clear. The constant switching of the story on the "y-axis" is, I think, very distracting.

human sympathy—this is revolutionary and revolutionary enough. Vitez himself kicks off the proceedings in the role of the crippled and anarchistic king of the Cypriote mountains. The *Arlequins* are so beautiful and so delightfully smooth and understanding that they cut a new style.

Of Daniel Mesgnoch's production of *Le Palais d'Hiver* by Revuade is a grotesque, half-surrealist tale set in the court of Peter the Great. In this production the books are much less in evidence than in the Aragon, and there is a much greater emphasis on action and visual appeal. Mesgnoch's manner is to tell the story very vividly but quite peacefully and without any sense of awe with a definite appetite for more.

Peter the Great is "dying" and the piece is about the

The whole production has a strikingly fluid and unfussy manner, with strong and well chosen physical detail. The scene where the two dwarfs visit the Ice Palace is a gem, so is their original love scene at the beginning. The simplicity is above all spontaneous: not the result, one feels, of years of theatre laboratory research for the most tellingly economical and austere gestures which will have a magical appeal to the oversophisticated. It doesn't preclude a few slightly off-type touches and this is the main and laudable intention of *Théâtre Quercet* which presented both plays.

## A black and white photograph of a tall, cylindrical building with a textured facade, possibly a tower or monument, set against a background of trees and a clear sky. The building has a series of horizontal bands or segments. In the foreground, there are some lower structures and what appears to be a paved area. The overall image has a grainy, high-contrast quality.

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## HOME NEWS

## Labour about turn on Scottish Assembly

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

ANOTHER remarkable about-turn on the controversial devolution policy was made by the Labour party in Scotland when it decided at the weekend that it would press the Government to concede more powers to the proposed Scottish Assembly.

The executive committee of the party's Scottish Regional Council now wants the Assembly to be given some economic and industrial powers by having full control of the recently created Scottish Development Agency.

It also wants the Secretary of State for Scotland to be stripped of his so-called "Governor" veto powers over Assembly legislation.

In its November White Paper on devolution, the Government proposed dividing responsibility for the Scottish Development Agency—which will have up to £500m. to spend over five years—between the Secretary of State for Scotland and the Assembly.

It proposed that the Minister would control the important investment generating function of the SDA while the Assembly would be responsible for the less contentious functions of environmental improvement and public sector factory building.

The executive's decision was taken in spite of the Scottish Office Minister's warnings about the "obvious dangers" of giving too much economic power to the Assembly. It also overrules the marginal vote against Assembly powers taken at last year's Scottish Labour Party conference.

It is the second notable reversal by the Labour leadership in Scotland on the Assembly which is growing in popularity and more recently from the break-away Scottish Labour Party both of which want much more extensive economic and fiscal powers for the Assembly.

However, the move will probably help to subside some criticisms of the Government's proposals at next month's annual conference in Troon.

Other decisions taken by the executive were that there should be no impediment on the Assembly re-organising Scottish local government and that a Commission should be set up to investigate Scottish universities and adult education.

## Furnished rentals down 10%

THE NUMBER of furnished properties to let has fallen by about 10 per cent in England and Wales and possibly by 20 per cent in London since the passing of the 1974 Rent Act, according to a recent survey by the Royal Institution of Chartered Surveyors.

The institution, while admitting that the survey, collated from the opinions of 50 estate agents up and down the country, is not comprehensive, thinks that it represents a fairly accurate picture of what has happened in the lettings market.

Three other trends emerged from the report:

- There has been no significant rise in rent levels. Where rents did rise the cause was increased rate or general inflationary trends.
- The number of people seeking unfurnished accommodation has risen slightly.
- Properties taken off the market are not being relet, but sold with vacant possession.

## Machine-tool makers seek NEB interest payment delay

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MACHINE-TOOL manufacturers hope to persuade the National Enterprise Board to include provisions for deferment of interest payments in the machine-tool stockpiling scheme it is working out.

The idea would be for the manufacturers to pay interest on the NEB money only when the upturn in trade starts and they begin to sell the machines they have stocked.

It seems that the success of the NEB scheme depends to a great extent on whether such deferred terms are built into it. There have been meetings every working day for the past two weeks between the NEB and the Machine Tool Trades Association, representing the manufacturers, but there is no sign of agreement.

Pressure for a Government-aided stockpiling arrangement appeared in the machine-tool industry last October and November, since when the association has been trying to convince the Department of Industry that it was urgently needed.

Some companies even at that stage were complaining that price restrictions plus raging inflation in 1974 and last year had given them severe liquidity problems.

There has been no shortage of cash to be borrowed, but the companies said that it would not be of much use to them unless the interest payments could be deferred in some way, because they could not afford the outgoings at a time when business was so slack.

The Government shied from providing an industry Act scheme, principally, it seems, because State financial assistance stockpiling is severely frowned on by the EEC. Money from the NEB is regarded as coming from private sources.

The main aim of a stockpiling exercise, so far as the machine-tool manufacturers are concerned, is that it would enable some companies to keep up production to an economic level for a good deal longer. In turn this would enable skilled work forces to be kept together through the recession.

The big problem with building for stock is that all but the least sophisticated standard machines can be only partly built. The final touches would not be added until the machine had been sold, and the customer indicated exactly what he required from it.

So not all companies are in favour. At Jones and Shipman, Mr. Edgar Watts, director, said: "The danger with stockpiling is that more and more of your assets become tied up in non-liquid resources so that the lay-offs and cuts when they come have to be even more severe."

"We prefer to keep a balanced stock of raw materials, components and finished machines ready for the upturn."

## Pensioners worse off than in 1974

By Eric Short

PENSIONERS ARE worse off now in real terms than they were in July, 1974, when the Government introduced the £10 a week pension for a single person and £18 a week for a married couple, according to a statement by Age Concern England.

The value in terms of July 1974 of today's pensions of £13.20 for a single person and £21.20 for a married couple was only £9.84 and £15.55 respectively.

Age Concern pointed out that since July, 1974, pensions had risen by 33 per cent, but fuel costs had increased by 63.5 per cent, and food prices by 40.5 per cent. Pensioners, it said, spent twice the proportion of their income on food and 50 per cent more on fuel than the average household. The proposed increase in electricity prices would hit pensioners hard.

An increase in pensions was urged by Age Concern, to be implemented as soon as possible.

## New gas pipeline to cost £31m.

By Ray Daffer, Energy Correspondent

BRITISH GAS plans to spend a further £31m. on a new pipeline capacity to handle increasing supplies of natural gas.

The scheme will provide 83 miles of 42-in. diameter pipeline between Bishop Auckland, Co. Durham, and Farnham, near Harrogate, Yorkshire. The pipeline will pass east of Darlington, west of Northallerton, east of Elton and west of Harrogate.

This is the first project using a pipe of such diameter undertaken by British Gas. Most of the existing 3,000 miles of the national transmission system for natural gas has been laid in 36-in. or 30-in. pipes.

Gas from the Anglo-Norwegian Frigg Field and Shell's Brent Field in the U.K. sector of the North Sea should boost British Gas supplies by up to 50 per cent by the early 1980s.

The Gas Corporation said that it was following its normal procedure of contacting landowners and tenants affected by the work, which is due to start in May.

Consultations about the route of the pipeline is taking place with the National Farmers' Union, the Country Landowners' Association, planning authorities and other bodies.

Although new supplies of gas from Brent and Frigg are likely to cost British Gas far more than it is now paying for supplies from southern fields in the U.K. sector, industrial and domestic users should not see a corresponding increase in tariffs.

The corporation pointed out that most of the work on the natural gas transmission system, together with the conversion from town gas, had been carried out.

A common sector committee was told last week that British Gas expected prices to rise at a slower rate than the retail price index over the next five or six years.

## P.O. reviewing its parcels service with unions

BY ARTHUR SMITH

POST OFFICE management and unions are reviewing the loss-making parcels service.

Issues under discussion include cuts in the number of delivery vans, reduced vehicle manning, and complete curtailment of services where necessary.

The Union of Post Office Workers, disclosing in its journal details of a "Joint Statement" agreed with the management on action needed to restore the corporation to profitability, says that "an SOS is sounded for the inland parcel post."

The statement emphasises that economies are needed more urgently on parcels than on letters and telephones. The financial situation is critical and discussions should take place locally to see what cost reductions can be agreed. Every hour saved is valuable if the inland parcel post is to be made viable again.

Re-assessment

The Post Office said last week that it was seeking a further 25 per cent increase in parcel charges from April 26. There was a 50 per cent rise last March and a similar increase in September.

Figures of traffic loss caused by successive tariff rises have not been released. The feeling is growing within the Post Office that a re-assessment of the relationship between the State-owned parcel carriers is necessary.

Already facing a deficit of millions, the Post Office postal service have lost much of the business of Open University to Roadline U.K., formerly BRS Parcels.

The Open University said yesterday that it had switched large packages of course material for £150,000 a year to Roadline.

When it decided to send some students larger packages of material as an economy measure, the Post Office would not give it a special rate for bulk deals, but said that the normal parcel tariff must apply.

The University found that

## SNOW REPORT

	Depth (in.)	Depth (cm.)
London	1.5	4
Manchester	1.5	4
Edinburgh	1.5	4
Belfast	1.5	4
Cardiff	1.5	4
Exeter	1.5	4
Gloucester	1.5	4
Leeds	1.5	4
Liverpool	1.5	4
Nottingham	1.5	4
Sheffield	1.5	4
Southampton	1.5	4
Stoke-on-Trent	1.5	4
Swansea	1.5	4
Torquay	1.5	4
Wolverhampton	1.5	4
Wrexham	1.5	4

SCOTLAND—Chlorine: 1 complete. New snow with vertical rain 1.50 ft. Sea: 1.50 ft. Rain: 1.50 ft. New snow on hard base. New level: 2.00 ft. Main rain: 1.50 ft. A hard base. Vertical rain: 1.50 ft. level 2.00 ft.

## Docks redevelopment 'could be stifled'

THE redevelopment of London's docks with its own development could be completely stifled unless the Government takes a more positive attitude to the problem, according to the London Chamber of Commerce and Industry.

Mr. David Crawford, the Chamber's planning adviser, writes in its Commerce International monthly journal that plans for redevelopment are faced with an increasing number of obstacles.

The three most serious were the disinclination of the Government to release land for an industrial development, the lack of efficient public transport, and the lack of building stock without the dockland status of a new overall scheme.

## Sugar workers in jobs fight

SUGAR WORKERS at Tate and Lyle refineries, Liverpool, meet to-day in protest against the threatened loss of their jobs in the autumn, because of enforced reduced imports of cane sugar.

Three options have been presented for discussion between the Agriculture Minister, Tate and Lyle's, and Membre and Garton, who own the Sankey refinery, Newton-le-Willows.

One calls for closure at Liverpool affecting 1,920 workers; the second would mean the closing of Sankey employing 500. The third would involve closure of Sankey and one of two Scottish refineries employing about 1,500 people. Merseyside MPs are being lobbied.

## Plastics moulding industry 'needs larger groupings'

BY RHYS DAVID

SMALLER companies in plastics moulding and in mould-making should be encouraged to get together with others in their industries to create more viable units and stimulate investment, according to a report just published.

The report, joint work of the British Plastics Federation and the Gauge and Tool Makers' Association, points to weaknesses in both industries, caused by low levels of profitability and warns that the economic recession has made the operations of a number of smaller concerns vulnerable.

It points out that steps are being taken to preserve existing capacity in mouldmaking and to ensure that increased capacity becomes available. The two bodies claim that, although the highest projected rate of demand forecast for moulds is matched by forecast capacity, there is no large surplus capacity to absorb sudden peaks of demand.

The study, covering demand and supply of moulds to 1977, was drawn up at the suggestion of the NEDC's Plastics Steering Committee to help planning within the two industries, which have heavy dependence on each other. Out of total U.K. plastics consumption in 1974 of nearly 2m. tonnes, a total of 400,000 tonnes was used in injection moulding.

The total value of moulds is put by the study at £28.5m. in 1974, but this is expected to increase to £30m.-£35m. by 1977, by which time roughly 450,000 tonnes of plastics are expected to be used in moulding.

A main constraint to growth, however, according to the mould-makers, is the current shortage of orders and the price squeeze which has resulted. Companies in the industry are also being affected by cash flow problems, partly as a result of longer credit now being taken by some customers.

Concern is also expressed that because of the high proportion of small companies, the industry has not been able to recruit sophisticated management. Difficulties in attracting apprentices, The Financial Times published daily except Sundays and public holidays. £167.00 (incl. postage) per month plus VAT. N.Y.

craft and technician recruits of the right calibre are also being implemented in the plastics side the main factors behind the low level of profitability are said to be the use by the Government of plastics markets as economic regulators, in particular the electronic and automobile industries. An additional problem is the small size of companies and the limitation this imposes on investment and research and development.

The demand and supply of moulds, BPP, 47, Piccadilly, W.1. £5 BPP/CTMA members, £8 non-members.

Dr. Punt is to increase prices of its Mylar polyester film in the U.K. and Ireland by around 15 per cent from April 1. Similar increases in the price of the film—used in electrical motors and capacitors, magnetic tape, wire and cable, pressure sensitive tape, engineering reproduction, graphic arts and packaging—are also being implemented in European countries.

The company which manufactures the film through Pont (Luxembourg) at blames increased labour materials costs and, in the case of the U.K., adverse rate movements, for the increase.

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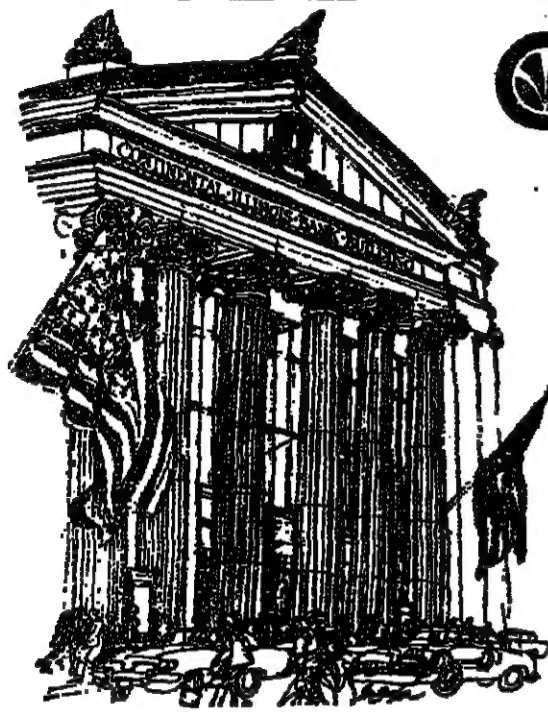
## FIRST NOTICE TO HOLDERS OF BONDS 1975-1983 of 1,000 EUROPEAN UNITS OF ACCOUNT

The bondholders of the International loan 918, 1975 issued by the GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE G.I.S. are convened to an Ordinary General Meeting to be held at 5 bis, rue de Madrid, Paris (France) on M 10, 1978, at 3 p.m., in order to consider the following agenda:

—Ratification of the statutory nomination of directors of "Société Civile" of the holders of the bonds 918, 1975 in conformity with article 7 of the by-laws of that "Société Civile".

To permit the bondholders to attend or to be represented at this meeting, the bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meeting at the offices of the banks having participated in placing of these bonds and from whom proxies or admission cards can be requested.

The Board of Directors



## CONTINENTAL ILLINOIS CORPORATION AND SUBSIDIARIES

CONTINENTAL BANK  
231 SOUTH LA SALLE STREET, CHICAGO, ILLINOIS 60602

Last year was outstanding for Continental Illinois Corporation. Earnings before security transactions in 1975 were a record \$118,997,000, a 24.1 per cent increase over our 1974 earnings of \$95,908,000, representing a five-year compound growth rate of 12.5 per cent. Per-share earnings before security transactions were \$6.84, compared with \$5.53 per share a year ago.

In a year characterized by many economic difficulties, these annual earnings were achieved through consistently strong quarterly performances, including the fourth quarter, during which earnings before security transactions were \$30,110,000 or 10.8 per cent above the record-high fourth quarter of 1974.

Net charge-offs for all of 1975 amounted to \$68.9 million, and as of year end, all known loan losses had been charged off. Our reserve for loan losses is one of the strongest in the United States.

Our 1975 annual report to shareholders will be available shortly. If you would like to have a copy, please contact your nearest Continental Bank office or our Corporate Secretary in Chicago.

Roger E. Anderson  
Chairman of the Board of Directors

John H. Perkins  
President

## Consolidated Statement of Condition/DECEMBER 31

(In thousands)	1975	1974			
<b>ASSETS</b>					
CASH AND DUE FROM BANKS	\$ 1,761,488	\$ 1,905,849			
FUNDS SOLD	\$ 3,235,981	\$ 2,151,719			
<b>INVESTMENT SECURITIES:</b>					
U.S. Treasury and Federal Agency Securities	\$ 782,847	\$ 782,309			
State, County and Municipal Securities	1,289,361	765,512			
Other Securities	219,136	226,624			
<b>Total Investment Securities</b>	<b>\$ 2,291,344</b>	<b>\$ 1,774,445</b>			
<b>TRADING ACCOUNT SECURITIES</b>	<b>\$ 205,925</b>	<b>\$ 358,048</b>			
<b>LOANS:</b>					
Domestic	\$ 8,404,343	\$ 10,047,666			
Overseas	2,750,076	2,607,592			
<b>Total Loans</b>	<b>\$ 11,154,419</b>	<b>\$ 12,655,258</b>			
Less Valuation Reserve on Loans	161,890	157,978			
<b>Net Loans</b>	<b>\$ 10,992,529</b>	<b>\$ 12,497,280</b>			
<b>PREMISES AND EQUIPMENT</b>	<b>\$ 87,596</b>	<b>\$ 58,672</b>			
<b>DIRECT EQUIPMENT LEASE FINANCING</b>	<b>\$ 123,770</b>	<b>\$ 102,819</b>			
<b>CUSTOMERS' LIABILITY ON ACCEPTANCES</b>	<b>\$ 176,736</b>	<b>\$ 271,245</b>			
<b>OTHER ASSETS</b>	<b>\$ 390,264</b>	<b>\$ 522,070</b>			
<b>Total Assets</b>	<b>\$ 20,225,633</b>	<b>\$ 19,640,747</b>			
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>DEPOSITS:</b>					
Head Office—Demand	\$ 3,684,691	\$ 3,662,883			
Savings	1,356,698	1,514,954			
Other Time	4,321,405	4,574,775			
Overseas Branches and Subsidiaries	5,936,481	5,715,562			
<b>Total Deposits</b>	<b>\$ 15,300,275</b>	<b>\$ 15,468,174</b>			
<b>FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE</b>	<b>\$ 2,334,428</b>	<b>\$ 1,967,516</b>			
NOTES DUE 1979 (6%)	100,000	100,000			
NOTES DUE 1989 (Variable Rate)	80,000	80,000			
OTHER FUNDS BORROWED	313,159	457,403			
ACCEPTANCES OUTSTANDING	177,268	272,013			
OTHER LIABILITIES	494,900	544,029			
<b>Total Liabilities</b>	<b>\$ 19,400,028</b>	<b>\$ 18,889,135</b>			
<b>SHAREHOLDERS' EQUITY</b>					
<b>PREFERRED STOCK—Without Par Value:</b>					
Authorized: 1975—10,000,000 shares					
1974—2,000,000 shares					
Series A \$0.03 Cumulative Convertible, \$0.50 Stated Value					
Issued and Outstanding: 1975—272,000 shares					
1974—372,000 shares	\$ 136	\$ 186			
<b>COMMON STOCK—\$10 Par Value:</b>					
Authorized: 1975—40,000,000 shares					
1974—20,000,000 shares					
Issued and Outstanding: 1975—17,383,715 shares					
1974—17,366,320 shares	173,937	173,683			
<b>CAPITAL SURPLUS</b>	<b>428,737</b>	<b>425,291</b>			
<b>RETAINED EARNINGS</b>	<b>222,795</b>	<b>152,472</b>			
<b>Total Shareholders' Equity</b>	<b>\$ 825,605</b>	<b>\$ 751,612</b>			
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 20,225,633</b>	<b>\$ 19,640,747</b>			
<b>Income and Dividends per Share (5 YEARS)</b>					
	1975	1974	1973	1972	1971
Income before Security Gains or Losses	\$6.84	\$5.53	\$4.99	\$4.54	\$4.07
Net Income	5.49	5.51	4.94	4.55	4.11
Cash Dividend Declared	2.26	2.20	1.93	1.84	1.76

## Board of Directors

Continental Illinois Corporation  
Continental Illinois National Bank and Trust Company of Chicago

ROGER E. ANDERSON  
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President

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Commonwealth Edison Company

STEWART S. CORT  
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Bellstream Steel Corporation

TILDEN CUMMINGS  
Formerly President

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Inland Steel Company

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Chief Executive Officer,  
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Chief Executive Officer,  
Zenith Radio Corporation

BLAINE J. YARRINGTON  
Executive Vice President,  
Standard Oil Company (Indiana)

Continental Illinois Corporation



## OVERSEAS NEWS

## New Nigerian head of state orders inquiry into coup

OUR OWN CORRESPONDENT

LAGOS, Feb. 15.

Gen. Obasanjo, head of State, has ordered a full inquiry into Friday's abortive attempt in which his aide, General Murtala Muhammed, and four others died. Gen. Obasanjo said that the coup attempt was a "serious breach of the peace" and that he would appeal to the people of Nigeria to support the government. He also said that he would take steps to ensure that such a coup attempt would not be repeated. Gen. Obasanjo, a 39-year-old engineer, became head of state after the death of General Gowon in a military coup. He is a member of the Yoruba tribe and is known for his moderate and pragmatic approach to politics. He has been in office for about a month and has been working to restore order and stability to the country. He has also been working to improve the economy and to address the needs of the people. He has been praised for his leadership and for his commitment to the people of Nigeria.

## Kaunda sees war in Rhodesia as inevitable

Dr. Kenneth Kaunda, leader of the African National Congress (ANC) in Rhodesia, has said that war between Rhodesia and the rest of Africa is inevitable. He said that the Rhodesian government's policy of white minority rule was a threat to the stability and unity of the continent. He called for a negotiated settlement to the Rhodesian issue, but said that if the Rhodesian government refused to negotiate, war would be the only option. Dr. Kaunda is a prominent African leader and has been a vocal critic of the Rhodesian government. He has been active in the struggle for independence in Rhodesia and has been a member of the ANC since its formation. He has been praised for his leadership and for his commitment to the people of Rhodesia and Africa.

## EC to approve \$300m. loan to Ireland

AVID CURRY

BRUSSELS, Feb. 15.

The European Commission has approved a \$300 million loan to Ireland. The loan is part of a larger package of aid to Ireland and is intended to help the Irish government with its budget deficit. The Commission said that the loan was approved on the basis of the Irish government's commitment to the European Community and its commitment to the principles of the Single European Act. The loan is to be repaid over a period of 10 years and will be provided in the form of a series of annual payments. The Irish government has expressed its appreciation for the Commission's decision and has said that the loan will be used to support the country's economic development and to improve the living standards of the Irish people.

## Canada pay strike threat

JES SCOTT

TORONTO, Feb. 15.

The Canadian Labour Congress has threatened to go on strike if the federal government does not agree to a new wage agreement. The Congress said that the government's offer of a 3.5% wage increase was insufficient and that it was demanding a 5% increase. The Congress also said that it was concerned about the government's plans to cut social services and that it was determined to fight these plans. The government has said that it is willing to negotiate with the Congress, but that it is not prepared to agree to a 5% wage increase. The Congress has said that it will go on strike if the government does not agree to its demands. The strike would have a significant impact on the Canadian economy and on the lives of the Canadian people.

## Exports key to Japan recovery

ER DUMINY

TOKYO, Feb. 15.

The Japanese government has said that exports are the key to the country's economic recovery. It has announced a series of measures to stimulate exports, including a reduction in export taxes and a simplification of export procedures. The government has also announced a series of measures to attract foreign investment, including a reduction in corporate taxes and a simplification of the process for obtaining visas for foreign investors. The government has said that these measures are necessary to help the Japanese economy recover from the recession and to create new jobs for the Japanese people. It has also said that it is committed to maintaining a stable and open international trade system.

## Heavy Moroccan casualties in Sahara

RABAT, Feb. 15.

King Hassan II of Morocco has said that his army has suffered heavy casualties in the Western Sahara. He said that the Moroccan army had fought a series of battles with the Polisario Front, a group of Saharans who are fighting for the independence of the Western Sahara. He said that the Moroccan army had won these battles, but that it had suffered heavy casualties in the process. He also said that the Polisario Front had suffered even heavier casualties. He said that the Moroccan army was determined to win the war and that it would not stop fighting until the Western Sahara was fully under Moroccan control.

## Catholic rebels die in Saigon gunfight

SAIGON, Feb. 15.

Two dissidents, one a woman, were killed and five others arrested here as security forces crushed an armed rebellion in a Catholic stronghold. The rebels were fighting against the government of South Vietnam, which is controlled by the military. The rebels said that they were fighting for the rights of the Catholic people of South Vietnam and for the restoration of the monarchy. They said that the government was oppressing the Catholic people and that they were determined to overthrow the government. The government has said that the rebels are terrorists and that they are a threat to the stability and security of the country. It has said that it is determined to crush the rebellion and that it will not stop fighting until the rebels are completely defeated.

## THE LEBANESE AGREEMENT

## 'No victor, no vanquished'

BY HSAN HIJAZI

BEIRUT, Feb. 15.

LEBANESE leaders were today busy assessing the programme of reforms announced by President Suleiman Frangieh last night for ending the ten-month-old crisis here. Most of these leaders had decided to take a wait-and-see attitude, but criticism has already come from former Premier Saeb Salam, a prominent Sunni Muslim leader who declared his disapproval of putting in writing the assignment of the three top state posts to Christians and Muslims. When the agreement was announced yesterday it promoted a display of unrestrained joy. Thousands of Lebanese on both sides of the confessional divide went into the streets to let off their guns. The firing began even before President Frangieh had finished his radio and television address. But this enthusiasm was apparently directed less at the contents of the Presidential declaration than at the signal that marked the official end of the civil war. Under the 17-point programme announced by Mr. Frangieh (in which, for the first time, Lebanon was described as "an Arab state") the tradition of giving the presidency of the republic to a Maronite Catholic, the Premiership to a Sunni Muslim and the speakership of parliament to a Shia Muslim is to be preserved. In parliament, there is to be an equal distribution of seats between Muslims and Christians, to replace the 33-year-old formula of six-to-five seats in favour of the Christians. Another significant point

strengthened the powers of the Premier and made them independent from the President. The programme provided that the Premier will be elected by Parliament and not chosen by the President as is the case now. In the civil service, the overall confessional distribution of posts is to be reduced so that only 140 top positions are distributed on religious lines. These are to be distributed equally between Muslims and Christians, the declaration said. The programme provided for a stronger defence policy and armed forces, and for the establishment of a planning council for social, economic and financial reforms. Observers noted that a significant aspect of the reforms is that they do not seek to change Lebanon's basic free economic system, which is of major importance for helping this country recover its place as the Middle East's financial and trade centre. President Frangieh declared that the application of these reforms will be dependent on the implementation of provisions of the "Cairo agreement" with the Palestinian commandos concluded in 1969. Syria whose intervention made the solution of the Lebanese crisis possible, had undertaken to guarantee the implementation of the Cairo agreement "in letter and spirit." The Cairo agreement allowed the commandos to set up bases in Southern Lebanon and con-

trol refugee camps but also severely restricted their movements elsewhere in Lebanon. Observers said the sum total of the reforms is that they preserve the Lebanese status with some readjustments which uphold the Lebanese tradition of solving crises by compromise under the slogan "no victor and no vanquished." However the Muslims have gained new powers while the Christians, it is said, get a reconfirmation of their basic privileges. The new compromise heads off at least for the time being, the insistence by the left-wing for a complete change of the Lebanese system, though for how long remains to be seen.

## Soft-line Israeli appointed

The Israeli Cabinet on Sunday approved the appointment of Prof. Shlomo Avineri as Director General of the Ministry for Foreign Affairs despite the opposition of various members of the Labour Party as well as of the coalition partner, the National Religious Party. L. Daniel reports from Tel Aviv. The opposition is based on Prof. Avineri's declared view that there is room for three states in the area of the original Palestine mandate—Israel, a Palestinian state on the West Bank, and the Kingdom of Jordan on the East Bank of the river.

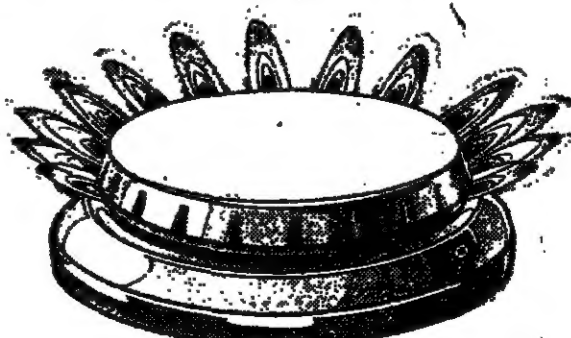
# Gas

## WHY IS IT SUCH GOOD VALUE FOR MONEY?

Gas is not cheap. Like other fuels, prices have had to be increased recently because of inflation. But because it does not have to be manufactured and needs a minimum of processing, and because it is highly efficient in distribution and use, natural gas still offers really excellent value for money. Which explains why over thirteen million customers have chosen it to heat their homes and cook their meals.

They have amply justified the gas industry's decision to push ahead with the largest and most complex conversion programme ever—anywhere in the world. So that, today, over 97 per cent of Britain's gas comes from the North Sea. Which has the added benefit of making us less dependent on imported oil—and saving hundreds of millions of pounds a year on the balance of payments.

All of which makes it one of Britain's most precious assets. So please use it carefully—it's much too good to waste.



## HOW YOU CAN SAVE GAS AND MONEY

- 1 Use your central heating time clock sensibly
- 2 Turn your thermostat down a degree or two
- 3 Turn off unnecessary radiators
- 4 Insulate your roof space and hot water system
- 5 Have your gas equipment properly maintained and serviced
- 6 Ask at your local showroom for further information about how to save gas—and save money



BRITISH GAS



# The Office World

Michael Dixon highlights a mistake made in reducing workforces

## A natural wastage trap

WHY WAS the company chairman applauded after telling his 2,000 employees that their numbers must be cut to 1,350 over the next four years? Because he had explained that nobody need be made redundant.

Although the top management had calculated that a one-third saving in manpower before 1980 was essential, it had also worked out that year after year a steady 9 per cent. of the employees left of their own accord. So with the aid of a very few voluntary early retirements, the chairman said, the company could achieve the reduction simply by halting recruitment and relying on natural wastage.

"You could understand them clapping," said Mr. Malcolm Bennisson, of the Institute of Manpower Studies. "Rumours are inevitable, and by the time the staff cuts were announced almost everyone would have worried himself into expecting the sack any day. At times like that, natural wastage is a beautiful idea: it means 'not now' and, above all, 'not me'."

"It's a beautiful idea for the top managers, too," the IMS manpower-planner went on. "It has allowed them to face up to their problem and find a way round it without hurting anyone. But the trouble is that it is a beauty which tends to be only skin deep, and by the time they've recognised that, the company stands to be in all sorts of trouble."

This is not to say that the managers exemplified here were mistaken in calculating their rate of employee turnover at about 9 per cent. Rates of that order are common. Take, for instance, the London clerical staff who make up one of the categories covered by the Institute of Manpower Studies' annual manpower survey. Among the 22,077 men, the latest figures show a turnover of 1,950—or 8.8 per cent. Among the 51,314 women, the wastage was 4,313—or 8.4 per cent. On the face of it, there was nothing unreasonable in our company chairman's calculating on an annual wastage of 9 per cent., which would reduce his workforce to about 1,820 by 1977, 1,655 by 1978, 1,505 by 1979, and 1,370 by 1980, leaving only 20 extra people to be "saved" over the period by way of voluntary retirement.

The pity is that this company, like many others particularly of medium and small size, has not bothered to work out its manpower statistics to a deeper level than the average figure. Had it done so, it would have



Mr. Malcolm Bennisson

man's promise and forcing some redundancies on people who by then, of course, will have been with the company at least three years. The beautiful idea of natural wastage has landed the managers with badder blood, greater expense, and more urgent problems than they would have had if they had originally looked into the manning position properly and done what was really needed.

"And there is no doubt that they could have gone beyond overall average figures for wastage," added Mr. Bennisson, who is on secondment to the Institute of Manpower Studies from ICI. "Even if they have got no details for their own workforce, they can work out a reasonably accurate idea from information published, for instance, in the IMS survey. Getting to grips with wastage rates is at the basis of manpower planning, and that is becoming more important every year, but it is my impression that the general run of managers just do not understand how wastage works in practice."

### Shy away

He feels that where manning is concerned, managers tend to shy away from objective inquiry which might undermine their optimism. They prefer to base their estimates on the Micawberish attitude that something might turn up in the economic situation to assuage the forecast profitability problems.

For example, as a manpower-planner, Mr. Bennisson was some time ago asked to help a large organisation which had a definitely predictable need to reduce its workforce by 750 people over three years.

"Among the management," he said, "there was a 'Castor Oil' group which wanted to deal with this by making 500 redundant in the first year, and 125 in each of the other two. But this group was under heavy pressure from a 'Micawber' brigade who wanted 125 redundant in each of the first two with, if something good didn't turn up, the remaining 500 to go in the third year."

"So I sat down and did some calculating. Compared with the Castor Oil scheme, the Micawber plan would have cost the company an extra £1.75m. in salaries alone. That shows what—if you've got to make a profit—can happen if you let your heart rule your head in manpower matters."

### Compounded

Now, however, start the difficulties. Because recruitment was stopped, for the second year there are no employees in the high-wastage less-than-one-year group. And the past 18 months has also seen numbers of the various longer-established employees move along into the next length-of-service grouping. This process is, of course, further compounded in the third and fourth years.

As a result the company ends the second year with 1,691 employees instead of the budgeted 1,655; the third year with 1,581 instead of 1,505; and the fourth with 1,485 instead of the target 1,370.

"In other words, they are about 8½ per cent. in excess of their manpower target," said Malcolm Bennisson cheerily. "And that, if they were right in predicting a need for a one-third cut by 1980, is going to mean going back on the chair-

seen that overall averages for employee wastage are worse than useless, because they are misleading.

Wastage rates vary with different sorts of workers. For instance, in one nationalised industry in 1974 non-graduate managerial staff showed a "half-life" (the age by which half of those initially recruited had left the concern) of 32, whereas graduate managerial staff showed a half-life of only 25. Wastage also varies with the industry's economic conditions: in 1973, a worse trading year, the same nationalised concern's graduate managers showed a half-life of 37. And—which is more important for the company in our example—wastage rates also vary with different lengths of service.

For the sake of simplicity, let us suppose that this company's wastage rates varied only with length of service. Let us also suppose that the make-up and wastage variances of its workforce were similar to those of the London clerical staff whose details are included in the IMS survey document. In this case, the company's position at the outset would be as follows:

No. of people	Wastage rate
350	17%
250	12%
350	9%
460	7%
320	5%
320	5%

It is in this position that the

## Reconstructing work-form

THERE ARE a number of good reasons why the pattern of work in offices needs to change. Briefly, these can be summarised as the demand by employees for more information and participation, the urge to express themselves at work, changing expectations of the incoming generation and, most immediately, the need to motivate staff.

Many people accept to-day that there is a need to restructure the way we work. Yet very few people are actually doing something about it. There is a curious immobility at both management and trade union level, even though they each recognise that the die is cast for change.

Another curious anomaly is that a new form of working—by forming small, autonomous groups to run departments—is gaining widespread credence in the U.S. and parts of Europe, leaving the U.K. lagging even though this concept was first conceived in Britain (by the Tavistock Institute during and immediately after the Second World War). To a right this anomaly and bridge the gap, some research has been done at our own Ashridge Management College, the results of which has just become available.

New management and unions may well respond by saying that the urgent challenge now is job protection and not job enrichment. But progressive minds will recognise that that is a shortsighted policy—any changes that may be brought about in any organisation in restructuring work requires years rather than months of preparation. So any initiative started now will probably bring its rewards in the next boom.

Most of the work carried out at Ashridge has been sponsored

by Olivetti, a company that has been in the forefront of change both in its own factory and offices and in promoting ideas. Olivetti has sponsored a number of similar projects at various research institutes in Europe. The contribution which Ashridge makes is to formulate a package of case studies of white collar work reorganisation in Europe and then place the collective experience into a U.K. context.

In speaking to the researchers at Ashridge recently, I was impressed with

rather than a shortage of skills as in most Scandinavian countries. Mind you, as Mr. Hepworth's colleague, Michael Osbaldeston, points out, we are not that far behind the Continent which is still at the thinking and planning stages—their joint researchers could only gather some 25 case studies of work reorganisation in the white-collar sector in Europe.

Some 15 of these have been prepared for training and dissemination purposes, of which

In the first of a series of articles on white collar work reorganisation, Roy Levine looks at general attitudes and the work of Ashridge Management College.

their message that the U.K. only a handful are ready for needs to find its own brand of answers to work reorganisation rather than merely reproduced experiments conducted in a small organisation. Other case studies will follow on this page over the ensuing weeks.

Perhaps the most celebrated example in the U.K. is the South Eastern Electricity Board which has been well documented and needs no explanation here. There is certainly interest in the U.K. and it is hoped that the studies presented will spark off some action.

Ashridge is not the only organisation to initiate studies—the Work Research Unit at the Department of Employment has provided grants to nine other universities and research bodies totalling £207,000 to study the quality of working life in both the white-collar and blue-collar sectors. These grants are the result side.

of the initiative of the Steering Committee consisting of TUC, CBI and the Conservative government.

But these studies several years before contribute to the information which unions can use.

For the moment, at Ashridge, it may bear in mind the Dr. Bernard Barry, sees the research as at present a between the educational and the types of business can offer, new workers will demand which is met by creating so groups.

"In considering legislation, however, I should remember that action is only a 'hygiene' factor: include pay and environment) that to a happy and efficient.

Perhaps it is to distill from the limelight available in E generic lessons can be based on the have surfaced to date the creation of groups often obsolescence of some functions; can have lions on the wage system; requires to education to overcome attitudes; can lead to promotion prospects; finally, requires a that has emerged needs of each rather than an imposed. Most of these facts lighted in the case side.

## The secretarial chefs

BY EVE MACPHERSON

A WIFE who could cook used to be considered a prerequisite for any successful businessman. Nowadays a secretary who can

cook can be even more of an asset. For the smaller company, particularly which cannot justify a directors' dining room and which finds taking clients out to lunch too much of a financial strain, a versatile executive secretary who can swap her shorthand notebook for a recipe book when the occasion demands is becoming more and more of a realistic proposition.

Of course, there are many secretaries who would claim—justifiably—that "it's not my job to be chef cook and bottle-washer." But not all secretaries fall into that category; just as many more are beginning to appreciate the break in routine, the additional interest, even the added status, that whipping up a simple souffe or a good-looking buffet for 12 affords them.

For the executive who entertains on his own premises there are a number of directors' dining room caterers who will prepare, deliver and serve (or cook on the spot) hot or cold buffet or formal lunches. That way, everything from the table-laying to the washing up is taken care of by experts, but at a price: a reasonable lunch is likely to cost in the region of £3 a head. In some cases a sounder investment could be to spend between £20 and £75 on some cordon-bleu type training for a secretary already interested in cooking and well versed in the basics.

### Learning

Prue Leith, owner of Leith's restaurant in London, is also head of a directors' dining room food service and of Leith's Cookery School. She can see most points of view and in general she believes most good secretaries would enjoy learning more about cookery and using their new-found skills at work.

"On our beginners' course we teach the confidence-building dishes: things like quiche lorraine and coq-au-vin and chocolate mousse that looks tremendous but are really very easy to cook. Although we call it a beginners' course we don't really get right down to basics, we assume a certain knowledge of how white sauce and things like that are made."

The classes are held on Tuesday or Thursday evenings and a course of five would cost £30, ten costing £50. "A company would soon recoup that kind of investment," Miss Leith explained. "Provided they used the girl's new skills. They would save a fortune, for instance, on having us deliver the food! A meal that would cost up to £3.50 a head from us, the secretary could probably cook for around £1 a head, since the company is already paying for her time anyway."

"Even if there are no facilities for cooking and she is expected to lay out just a cold buffet, remember that it is difficult to present food well unless you know how to cook it. Even

spread from Fortnum's can look dull unless it's presented well, and that takes understanding."

Wendy Majerowicz, principal of the Tante Marie Cookery School at Woking, takes the "secretary to cook" idea even further. "In an ideal world," she maintains, "a secretary should take a cordon bleu diploma before her secretarial certificate (not the other way round), or she'd forget her special courses here that would certainly help the girl required to do the occasional Boardroom lunch."

At Tante Marie there is a choice of part-time courses, ranging from half a day a week for six weeks to full five-day "Gourmet" courses. Secretaries' own attitudes to learning to cook for the company do vary, but in general those who enjoy cooking seem happy to turn their skill to good use, always provided it does not interfere with the smooth running of their day-to-day work schedule.

Kay Chapman is secretary/personal assistant to a leading public relations consultant and prepares lunch for two or three people in the office every six to eight weeks or so.

"Nothing too ambitious," she adds. "Maybe a pate and coq-au-vin, or a cold spread in the summer. But I do quite enjoy it as a break from routine—and you do have to be very versatile in this job! I think it would be an advantage for executive secretaries to have some cookery training; I'd certainly enjoy being sent on a course."

Among those secretaries who don't cook as part of their job, there are some who would enjoy the additional duty. Pat Taylor, executive secretary to a Surrey firm of chartered accountants, is one.

"I would be delighted to prepare lunch and act as hostess. Leith put it: 'Most anybody doing something different change. And if it's enough to be your then she is nice enough to her hand to something

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POINTMENTS

# Lord Robens to head St. Regis UK

Lord Robens, former chairman of the National Coal Board, is to be chairman of ST. REGIS INTERNATIONAL, of the U.K., at the end of this month. He succeeded Mr. Spencer Biggin, retiring as chairman and executive. As already announced, Lord Robens is also director of the Board of the concern, St. Regis Paper of New York.

Mr. Robens' appointments held by Robens include chairman of Vickers and of Johnson & Johnson.

Mr. Cedric Coates, until recently store development director of the Burton Menswear Group, has been appointed managing director of G. AND L. SHOPFITTERS.

Mr. T. J. Cookman has been elected to the Board of BRITISH CENTRAL ELECTRICAL. Mr. Cookman has been with General Electrical for many years.

Mr. A. J. Nicol has retired from the Board of LUCAS INDUSTRIES.

Mr. John R. Skae has been appointed secretary of DOWTY GROUP in succession to Mr. L. T. P. Bambury who has relinquished that position.

Mr. William B. Maunthell, a vice-president in CHEMICAL BANK LONDON, will assume responsibility later this month in Sao Paulo for all Chemical Bank's business in Brazil, including its participation in Banco Noroeste de Investimentos. Mr. Maunthell, who has been attached to the London office since 1972, has been chief credit officer for two of the bank's three European regions.

Mr. Colin J. Harper has been appointed to the Board of E. Z. INDUSTRIES and of the principal subsidiary, Electrolytic Zinc Company of Australasia.

Mr. John Wooldridge has been appointed to the newly-created post of motor industry market development manager for the steel tube division of TUBE INVESTMENTS. He joined the TI group in 1946.

The London regional office of the LEEDS PERMANENT BUILDING SOCIETY has been divided into two sections—East and West. Mr. Edward S. Germaine has been appointed London (East) regional manager and Mr. Ian Bell, formerly London regional manager, takes charge of the new London (West) region.

Miss Janet G. McCurrie has joined BANKERS TRUST COMPANY in the newly-created post of legal adviser. As a member of the bank's legal department, she will be responsible for legal matters of banking business at the London office.

Mr. Emmanuel J. Olympios has joined Bankers Trust International as a manager in the international project finance and loan syndication group in London. He will assist Mr. Robert R. Tarter, loan syndication manager, in arranging medium-term Euro-currency credits for international borrowers.

Mr. David Margand has been appointed marketing and sales director of the closures and plastics division of UNITED GLASS. He replaces Mr. John Critina, who recently became the division's managing director.

Mr. K. Courtenay Hawkins, Jr., senior vice president of SECURITY PACIFIC BANK, has been appointed European territory administrator, headquartered in London. He succeeds Mr. A. Randall Thomas, Jr., who has become executive vice president and administrator of the bank's Northern California headquarters in San Francisco. Mr. Thomas has also been named a member of the bank's management committee.

Mr. Joseph C. Feghtali has been made a senior vice president of the newly-formed Middle East and Africa Territory, headquartered in London.

Mr. Giles M. E. Nixon has been appointed product planning director of COMPAUR CONSTRUCTION AND MINING.

The WINE DEVELOPMENT BOARD has appointed five regional directors. They are Mr. R. G. Aikens (East Anglia), Mr. C. G. Clay (Yorkshire and Humberside), Mr. R. Gunn (West Midlands), Mr. V. Lavan (North West), Mr. J. V. Nankaty (South West) and Col. J. L. Sanderson (North East).

These securities having been placed privately outside the Netherlands, this announcement appears as a matter of record only.



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HOME NEWS

# CBI likely to urge big tax changes in Budget

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry is likely to urge Mr. Healey, Chancellor of the Exchequer, to make substantial changes in corporation tax and the higher reaches of income-tax in its representations on the Budget.

The cost of its planned changes, which it estimates could amount to over £800m. in a full year, could it thinks, be met by raising the standard rate of VAT to 10 per cent.

The CBI is also anxious that the next Budget should not include any relaxation of the economy, although it is prepared to see some action to raise consumer demand in the summer should this be necessary.

Its thinking is contained in a confidential paper from the economic policy committee to be presented to this full meeting of the CBI council on Wednesday.

It will be several weeks before the CBI formally makes its Budget representations to the Chancellor and the ideas of the Confederation's economic staff are still provisional.

But the broad outlines of its thinking are becoming clear from its interpretation of the economic situation in the country.

Convinced that manufacturing industry is at last beginning to turn the corner of the recession, but cautious in its view of the speed of the upturn, the CBI is primarily anxious that nothing should be done to upset the progress made in reducing inflation and wage increases.

Its main aim in talks with Mr. Healey, therefore, will be directed to ensuring that the pay policy is continued and tightened after August and that nothing is done at this stage to stimulate consumer demand.

Although Mr. Healey is hoping that the outlines of the next phase of the counter-inflation policy can be agreed with unions and employers before the Budget — to enable him to build his Budget policy on this assurance — the CBI still feels that nothing should be done until the picture becomes clear next summer.

When the next phase does be-

come clear, then it accepts that there may be some need to review the situation and possibly take action to help stimulate the revival.

In the meantime, it argues strongly that the Government should concentrate on freeing resources for industrial investment and reducing the burden of direct taxation on the higher paid — a move requiring a substantial cut in the public expenditure programmes.

The kinds of physical action it would like to see in order to achieve this would include:

Steps to bring forward industrial investment, including making taxation capital allowances available for offsetting against advance corporation tax;

Improvement in company profitability by an ending of the Price Code, a reduction of the level of corporation tax, abolition of Stamp Duty on loan stock issues, phasing out dividend control and an improvement in the stock relief system;

Assisting smaller firms by reducing capital taxation and indexing the capital gains tax;

Relieving the burden of tax on management;

Abolishing the higher rate of VAT and compensating for this by increasing the standard rate, possibly to 10 per cent.

As costed out by the CBI economic staff, the most important moves would be the reduction of corporation tax to 45 per cent. (which might cost the Treasury about £250m. a year); abolition of the higher rate of VAT except for petrol (costing some £300m.); and indexation of capital gains tax (which must cost £150m.).

During a full year, this would be more than compensated for by raising VAT to 10 per cent.

In the immediate financial year, 1976-77, the cost to the Treasury might be over £400m. because of the effect of the changes it proposes in advance corporation tax and the smaller impact of raising VAT.

The proposal has still to be approved by the Council, which is hardly likely to quarrel with lower taxation, but may not like the raising of VAT.

On the whole, the broad trend of the CBI thinking agrees with the Treasury view that resources ought to be freed for manufacturing investment and that taxation on the higher paid should be reduced.

But again the question of raising VAT might arouse serious problems with the unions because of its impact on the cost of living.

## Fashion exhibition site starts row

BY RHYD DAVID, TEXTILES CORRESPONDENT

A SPLIT has developed in Britain's fashion trade over the decision last month by the Clothing Export Council to move the industry's premier show, the international fashion fair, from London to the new National Exhibition Centre at Meriden, near Birmingham.

The decision, which was taken because of dissatisfaction with the facilities available in London in recent years, has led to the formation of a breakaway group of London-based fashion designers, who are now proposing to hold a rival show at Earls Court.

early in April at the same time as the Birmingham exhibition. The move to Birmingham was made because it was felt foreign visitors in particular had not been seeing U.K. merchandise to its best effect at previous shows at Earls Court in London, and last year at the Biha premises in Kensington, London.

Now the trade has apparently split into two camps, reflecting on the one hand those who say they will never leave London, and on the other, those who say they will never go back to Earls Court.

## Charter of Human Rights is urged

By Richard Evans, Lobby Correspondent

THE creation of a comprehensive Charter of Human Rights to give citizens the means to seek legal remedies against official injustice is endorsed in a Labour Party discussion document.

The proposal is put forward by a party committee which includes Mrs. Shirley Williams, Foreign and Commonwealth Affairs Secretary as chairman, Mr. Sam Silkin, Attorney General, and Mr. Peter Archer, QC, Solicitor General.

It also has the backing of the predominantly Left-wing Home Policy Committee under Mr. Anthony Wedgwood Benn and stands an excellent chance of becoming party policy.

The Charter would give people the right to take public officials to court to justify their actions if these were held to contravene the Charter, which would be based on the safeguards in the European Convention on Human Rights.

### Other Home News on Pages 20, 25

But instead of having to go to the European Court at Strasbourg an aggrieved party would be able to seek redress in Britain.

"It is time for the scales to be tipped back in favour of the ordinary man," the pamphlet says. Present institutions did not make it easy for a citizen with a grievance to succeed in obtaining a remedy.

It also claimed at the launching of the document in London on Saturday that the Labour Party's record in the field of human rights had been the best of all main parties since the beginning of the century.

"We hope it will infuse into the courts and be taken into account in court decisions," she said.

## Employment levels too high shipbuilding chief says

BY JOHN WYLES, SHIPPING CORRESPONDENT

A BLUNT warning to the Government that there will be no commercial basis for maintaining employment levels in the shipbuilding industry after its nationalisation this year was given yesterday by Mr. J. Graham Day, chief executive designate of British Shipbuilders, the State corporation which will run the industry.

His gloomy view of future prospects for the industry's 80,000 workers came on the eve of crucial talks on the future of the financially troubled Maritime Freight Carriers. The company accounts for 35 per cent of the tonnage on order from British shipyards, and its new management will start talks in London to-day with leading banks on a possible rescue operation.

The MFC crisis was only touched upon by Mr. Day in a television interview yesterday which featured the first public warning he has made of the difficulties facing shipbuilding since he was appointed two months ago.

Mr. Day said in a radio interview that the industry's shortage of business, which is part of a worldwide problem, meant "we have to shelter as quickly as

possible to avoid the maximum disruption of employment."

"The commercial aspects have yet to be defined, but if it is the intention to keep the industry at its present level, there will clearly have to be some social decisions taken by the Government."

Mr. Day wants responsibility for any "social policies" pursued by British Shipbuilders to be with the Government.

He favoured a mixture of solutions to deal with British shipbuilding crisis, and this might well mean direct Government aid, possibly involving building ships for stock, for yards which the Government may decide must be kept open for social reasons.

The likelihood that the Government will have to take some difficult decisions on ship building before the year is out has been strengthened by the MFC crisis, when the group defaulted on \$23.5m. out of total debts of \$38.5m. The company is expected to present to its banks this week details of new financial control arrangements proposed by City Accountants. Price Waterhouse.

Informal discussions have already

been familiarised some of the company's problem. After detailed discussions this week the banks are likely to take some time to work out the precise nature of a rescue operation.

Those involved include Bankers Trust International, Marine Midland of New York, and First National Bank of Boston.

In the meantime, MFC looks likely to try to ease its liquidity crisis by trying to sell part of its profitable fleet of 40 refrigerated vessels, all on charter to Salen, the Swedish shipowner.

This week's talks will be closely watched by the Government, which is aware of the potentially serious effects on shipbuilding jobs of MFC's abandoning its British commitments.

Options on nine of an original batch of 13 tankers to be built at Swan Hunter have been cancelled by MFC's 75 per cent owned subsidiary Swan Maritime. Other ships due to be built to MFC's account are three large tankers by Harland and Wolff and two tankers at Scott Lithgow.

Lithgow's have already started building the first of these ships and Harland and Wolff had planned to lay its keels for MFC at the beginning of next year.

## Save an Prosper may go public

By Stewart Fleming

THE SHAREHOLDERS of Prosper Group, largest unit trust company, controlling about £700m., have a decision about the public flotation of the company in the autumn.

No decision has been made yet, but since much will depend on the results of the market conditions in the autumn.

The company is several financial years in the red, and Baring Brothers, the bankers, and Robert and Company each own a 25 per cent of the equity of Atlantic Assets Trust managed by Sime, also has a stake.

In its accounts to year Atlantic Assets of £3.2m. on its 28 making it the company's single largest investment in Brothers International excluded.

### Difficult year

Mr. J. V. Sheld of Atlantic Assets, in review last October 4 year as "probably the worst year in the past decade."

He announced the results of the company's balance sheet date accounted for about 20 per cent of the company's net of £17m.

Among the factors decision to float Save will be the profits in the financial year September 30 — which will be satisfactory — affecting individual shares would make the shares more market change likely to be a shareholder wishing a disproportionate share of an unquoted stock.

The other shareholders of Prosper are Baring, with 11.7 per cent, Assurance, 5.6 per cent, and directors, 3.2 per cent.

### NUBE dr foreign ba

THE National Union Employees is stepping up its efforts to get recognition for the staff of foreign banks in Britain. It is Mr. Steve Gamble, as its chief negotiator, the union claims to have rights in 10 for already.

## Can you afford to stay put when prices are on the move?

A cost-efficiency quiz for modern business

Assess your ability to cope with inflation in a nil-growth economy by answering the following questionnaire. Then tot up your rating on the score panel below.

1 How far are you from Motorway access?  
A Under 1 mile B Between 1 and 5 miles C Over 5 miles.



2 How many minutes are you away from an international Airport putting you in daily touch (passenger and freightwise) with Europe and America?  
A Less than 20 minutes B 20 to 45 minutes C More than 45 minutes.



3 How far are you from a container port with transatlantic and continental services?  
A Less than 15 miles B Between 15 and 30 miles C Over 30 miles.



4 What is the predominant category in the local workforce from which you recruit?  
A Skilled craftsmen and foremen B Semi-skilled men C Unskilled and casual labour.



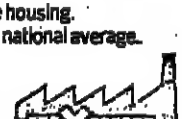
5 Do you have to pay any above-average premium or weighting to recruit and retain personnel?  
A Yes — London weighting B Yes — because of scarcity in skilled categories C No.



6 Is housing of the right type and price available locally for all personnel — from top executives to casual labour?  
A Housing scarce and dear for most levels B Difficulty in obtaining top executive housing C No problem — and prices match the national average.



7 How much do you pay to repair and maintain your factory per 10,000 sq. ft?  
A Less than £2,000 p.a. B Between £2,000 and £5,000 p.a. C £5,000 p.a. or more.



8 What is your cash outflow in rates?  
A Less than 40p per sq. ft. p.a. B Between 40p and 80p per sq. ft. p.a. C Over 80p per sq. ft. p.a.



9 How much are you paying per square foot for office space?  
A Less than £2.50 p.a. B Between £2.50 and £7.50 p.a. C Above £7.50 p.a.



10 How much are you paying per square foot for factory space?  
A £1 p.a. or less B Between £1 and £2 p.a. C More than £2 p.a.



### Check your survival rating

Tot up your total score from the following table.

	A	B	C
1	4	3	1
2	4	1	0
3	4	2	1
4	0	1	3
5	0	2	3
6	0	3	2
7	3	2	1
8	3	2	0
9	5	4	0
10	5	3	1

### Scores of less than 20

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### Scores of 33-39

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### Check your figures against ours

Let us discuss in confidence ways in which your operating costs can be cut by moving to Warrington New Town. Even if you cannot answer parts of the questionnaire or find the questions unrelated to your business survival problems, we may still be able to help you. There is no obligation.

Contact: Brian Standivan, Chief Estates Officer, or Peter Sanday, Warrington New Town Development Corporation, FREEPOST Warrington WA3 7ZJ. Telephone: Warrington (0925) 36551. Telex: 627225.

## Crossover at Warrington



## OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Blackpool Gifts Fair (cl. Feb. 19)	Winter Gardens
Current	Wish Gift Fair (cl. Feb. 19)	Sophia Gardens, Cardiff
Feb. 17-19	Brit. Grocers Look Ahead: NFU Exbn./Conf.	Arrogate Exbn. Centre
Feb. 24-26	London Smallwares Trade Fair	Berners Hotel, W.C.1
Feb. 24-26	Automatic Laboratory Techniques Exhibition	West Centre Hotel, S.W.6
Feb. 24-26	National Stamp Exhibition	New Horticultural Hall
Feb. 25-26	Ideal Homes Exhibition	Market Hall, Cardiff
Feb. 25-Mar. 7	Boat Show '76	Belle Vue, Manchester
Mar. 1-5	International Men's and Boys' Wear Exhibition	Earls Court
Mar. 2-5	Italian Knitwear Exhibition	Earls Court
Mar. 9-11	Electro-Optics Exhibition	Metropole Centre, W.1
Mar. 9-11	Chelsea Antiques Fair	Metropole Centre, Brighton
Mar. 15-19	National Carpet Fair	Town Hall
Mar. 15-19	Furniture Production Exhibition	Winter Gardens, Blackpool
Mar. 15-19	Process Control Instrumentation Exhibition	Nat. Exbn. Centre, B'ham
Mar. 15-19	78 Public Address Equipment Exbn.	U.S. Trade Centre, W.1
Mar. 15-19	Solidity and Public Works Exhibition	Bloomsbury Centre Bldg, W.C.1
Mar. 15-19	Euro Arts and Crafts Exhibition	Kelvin Hall, Glasgow
Mar. 15-19	Euro Arts and Crafts Exhibition	Bingley Hall, Birmingham

## BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Feb. 17-18	Financial Times Chamber of Commerce and Industry, Kuwait, Fairplay International Shipping Weekly: Arab Shipping and Trade	Chamber of Commerce and Industry, Kuwait
Feb. 17-20	Petroleum News: Offshore South East Asia	Singapore
Feb. 18	A.M.R. Selling to the Arabian Peninsula	Grand Hotel, Bristol
Feb. 19-20	Frank Jenkins: Effective Publicity Writing	Connaught Rooms, W.C.2
Feb. 24-26	W. O. Smith: Organisation and Methods	Wool Hall, Connaught, Berks.
Feb. 24	E.B.I. Prospects for Medium-Term Borrowing	Cafe Royal, W.1
Feb. 24-25	ESCCBI: Product Liability/Fair Trading Now	Wilton Hotel, W.1
Feb. 24-26	Coll. Dist. Trades: The Financial Module	30, Leicester Square, W.C.2
Feb. 24-26	Dept. of Ind. Maintenance Engineering	Royal Lancaster Hotel, W.2
Feb. 25	Imperial College of Science: Venture Capital	Imperial College, S.W.7
Feb. 25	Inst. of Fuel: Growing Energy	Royal Hotel, Southampton
Feb. 24	RCEMA: Profit from Plant Performance	Cafe Royal, W.1
Feb. 26-27	Fire Protection Association National Conference	Excelsior Hotel, Heathrow
Feb. 27	Inv. and Prop. Studies: Development Land Tax	Royal Lancaster Hotel, W.2
Mar. 1-4	ORC (U.K.): Paying People Abroad	Carlton Tower Hotel, S.W.1
Mar. 1-5	RACIE: Training for the Office	Training Centre, W.1
Mar. 1-5	U.S. Bank: Communications Crisis in Industry	Carlton Hotel, S.W.1
Mar. 3-4	Financial Times and Investors Chronicle: The City in National and International Finance	Royal Lancaster Hotel, W.2
Mar. 3-5	Unwired Man Centre: Conditions of Contract	St. John's, Bucks.
Mar. 4	Trent Polytechnic: Crisis Management 1976	Norwell, Sandiacre, Notts.
Mar. 4	Sussex Univ.: Crisis in Central Planning	Weymouth
Mar. 8-12	Komer-Treves: Decision Mktg. for Senior Man.	Int. Airport Hotel, Dublin
Mar. 8-12	P.E. Comm. Grp.: Planning and Control of Production	Training Centre, Exham
Mar. 9-10	Roadmap University: Personnel Policy	Heaton Mount, Bradford
Mar. 9-10	Royal Univ.: Employee Surveys	Hybridge, Middlesex
Mar. 10-11	Financial Times, Varig Brazilian Airlines, Investors Chronicle: Business with Brazil	Intercontinental Hotel, Rio de Janeiro
Mar. 11	Fielden House: Dismals — Fair or Unfair	Bury
Mar. 12	Focus Research: Foreign Investment in Venezuela	Waldorf Hotel, W.C.2
Mar. 12-15	Man. Studies: Managing the Smaller Company	St. Peter Port, Guernsey
Mar. 15-18	Food Manufacturers' Federation Conference	Grosvenor House Hotel, W.1
Mar. 17-18	Financial Times: International Relations in 1976	Royal Lancaster Hotel, W.2
Mar. 18	WTI: Trading Opportunities in EEC and EFTA	World Trade Centre, E.1

## Vienna International Trade Fair 10-14 March, 1976

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### SPECIALIZED FAIRS 1976 (Extract)

Trade Fair	Date
mebel '76	6-14 March
Austrian furniture fair	
Ausstellungszentrum Roudungelände, Vienna 2	
agua-therm '76	1-4 April
Fair for heating, air-conditioning, sanitary and environment, technique.	
Ausstellungszentrum Roudungelände, Vienna 2	
WDW International	4-6 April
Vienna ladies' fashion week	
Ausstellungszentrum Messeplatz, Vienna 7	
fabo '76	18-22 May
International office organization exhibition	
Ausstellungszentrum Roudungelände, Vienna 2	



Further information:

The Austrian Commercial Delegate

1, Hyde Park Gate

London SW7 5ER



## OVERSEAS CONSTRUCTION

The Financial Times proposes to publish a key on Overseas Construction. The provisional serial synopsis and date are set out below.

Wednesday 24th March 1976

### INTRODUCTION

### OVERSEAS CONTRACTS

### THE PROFESSIONS

### FINANCE FOR THE CONTRACTOR

### PROJECT MANAGEMENT

### THE CHALLENGE OF THE OIL-RICH STATES

### THE BRITISH PROPERTY DEVELOPER

### EUROPEAN CONTRACTORS

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will point out that the contents and date of Survey are subject to complete editorial action.

Further information and advertising details please telephone 01-248 8000, ext. 631.

## LABOUR NEWS

### ACAS unfair to us, say company unions

By LORELES OLSLAGER, LABOUR STAFF

THE CONFEDERATION of Employers' Associations, representing about 30 staff associations and company unions outside the TUC, has expressed doubts about the impartiality of the Advisory Conciliation and Arbitration Service in carrying out its new tasks under the Employment Protection Act.

After several exchanges with ACAS Mr. Paul Nicolson, the confederation's general secretary, has written to Mr. Michael Foot, Secretary of State for Employment, asking for help.

Mr. Nicolson says that ACAS will be biased in favour of TUC-affiliated unions in any recognition dispute referred to it under the Employment Protection Act.

He released over the weekend an exchange of letters between himself and Mr. Jim Mortimer, the chairman of ACAS, in which he made the point that all trade union members of the ACAS Council are TUC nominees.

There is, therefore, an in-built bias against bona fide, independent, non-affiliated trade unions on the ACAS Council.

Mr. Nicolson takes particular exception to an internal ACAS memorandum instructing officials how they should behave if asked for help and advice by companies who want to set up staff associations.

The memorandum says ACAS officials should confine themselves to pointing out that any staff association must be certi-

fied as an independent trade union before it can benefit from many important provisions of the Act.

In addition, they should point out "the difficulties which could arise should a firm be subsequently faced with a claim for recognition by an independent trade union."

The memorandum adds that ACAS officials "should not become involved in giving advice on how staff associations should be set up."

Mr. Mortimer then referred to the TUC's Bridlington Agreement, designed to prevent "poaching" of members of one union by another.

In his reply to Mr. Mortimer, Mr. Nicolson said that neither his confederation nor any of its members were parties to the Bridlington Agreement.

In his letter to Mr. Foot he said: "We would be grateful for any actions you can take to assist us in obtaining an assurance from the Council of ACAS that it will act independently in any inquiry on its rules and procedures."

any federation of unions or employers to which we do not subscribe."

### NUT move to fight jobs threat

By Our Labour Staff

LEADERS OF the National Union of Teachers are asking their members to endorse a series of steps designed to fight the "twin scandals" of teacher unemployment and oversized classes.

A policy document drawn up by the national executive for discussion at the union's annual conference in Scarborough at Easter says that "for the first time in over 30 years, there is a real danger that teachers who have given sterling service to schools will be sacked."

The executive recommends that the 219,000-strong union should express "complete opposition to the compulsory transfer of teachers if attempts were made to reduce staffing levels."

In addition, the executive recommends continuation and if necessary extension of the union's policy that members should refuse to cover for colleagues absent for more than three days. Strike decisions are to be reserved for the NUT action committee.

Mr. Fred Jarvis, the union's general secretary, warned yesterday that sanctions would be imposed in Surrey and Leicestershire if planned cuts in education went ahead. The sanctions would take the form of refusal to cover for absent teachers.

The executive is also asking the conference to endorse a policy for next year's round of pay negotiations under which the union would seek to maintain and if possible improve members' living standards while seeking comparability of pay with similar professions.

The executive stressed the need for continuing efforts to secure a salary level equivalent to male average earnings for all teachers with at least five years' experience. According to the union, the present minimum salary for teachers in their 21st year of service is £2,655 a year, compared with average male earnings of £3,161 a year.

The £3,000-strong National Association of Teachers in Further and Higher Education has decided to press for pay increases of £312 per annum for all members earning less than £3,500 a year.

It will also seek an agreement to pay this increase to teachers earning above £3,500 as soon as incomes policy permits.

### Scunthorpe steel protest after shift economies

SOME engineering workers at the British Steel Corporation's Applby Frodingham plant stopped work yesterday to protest against the management's decision to suspend employment of some of their colleagues on Sunday shifts which attract extra pay.

The protest stoppage yesterday was the only plant where BSC has encountered industrial action over its attempt to reduce weekend working in the wake of its framework agreement on labour economies concluded with national union leaders three weeks ago.

The protest stoppage yesterday was the only plant where BSC has encountered industrial action over its attempt to reduce weekend working in the wake of its framework agreement on labour economies concluded with national union leaders three weeks ago.

Since the national agreement was signed, BSC has generally preferred not to introduce changes in week-end working before it has reached agreement with the unions locally. Attempts early last month to introduce changes unilaterally led to widespread strikes in South Wales.

### Environment planning for airports call

By Michael Donne

THE URGENT NEED for a national airports policy, taking into account environmental as well as economic criteria, is emphasised in a statement today by the Council for the Protection of Rural England.

The economic recession, with consequent slackening in air travel demand, gives a unique opportunity to reassess airport policies, the Council says, and the present minimum salary for teachers in their 21st year of service is £2,655 a year, compared with average male earnings of £3,161 a year.

Airports should be excluded from areas of high landscape, agricultural and ecological value. Developments should be limited in size and site to what was acceptable on environmental and planning grounds in the area concerned.

Existing airports should be used to such capacity as was compatible with these environmental and planning restraints, before new airports were considered.

Unco-ordinated development with ad hoc decisions being taken as problems arose. They have resulted in airport facilities being provided on an excessive scale and in the wrong place, with consequent misuse of resources, despoliation of the countryside and, in particular, suffering from noise.

The virtually unrestrained competition between airport management needs to be brought under centralised management to ensure that development accords with planned national objectives which take all planning considerations into account.

"Until this is done no further airport expansion should be permitted."

### Improvement in stainless steel sheet sales

A MARKED improvement in orders for stainless steel sheet and strip for both the British Steel Corporation and a leading private sector producer has brought a more optimistic feeling in Sheffield about the future of the industry.

Stainless flat products were one of the first steel areas to be hit by the sharp fall in orders in autumn, 1974, and have been one of the areas worst-hit, partly because of their close relationship to the consumer market.

Now BSC officials are cautiously confident that the worst of the slump is over and the orders climb has now started. Initial buying began to be noticeable before Christmas but the continued rise now suggests that this is more than mere re-stocking.

At the Corporation's Shephote Lane sheet mill orders have now climbed to above 85 per cent. of 1974 levels, when total demand was distorted by excessive stock-piling. Demand is expected to be at about 70 per cent. of 1974 levels by early summer.

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## USDAW move on 'special offers'

THE UNION of Shop, Distributive and Allied Workers has suggested to the Government that manufacturers should be obliged to print their "recommended" price on goods sold in the shops so that customers know what to make of "special offers."

In a letter to Mrs. Shirley Williams, the Secretary of State for Prices and Consumer Protection, the union said the present custom of "flashbacks" - announcing, for example, "3p off" without giving a recommended price made it difficult to know for the housewife what the sale price really was.

Lord Allen, the general secretary of USDAW, added in his letter that apart from flashbacks, there were other confusing offers which could provide "a trap for store managers and staff, leading to prosecution and heavy fines."

Mrs. Williams, according to the union, replied that she realised the situation is confusing for both consumers and shop staff. USDAW's suggestions have been passed on to the Office of Fair Trading, which is considering the question of standardising price and other information at the point of sale.

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## Occidental Overseas Capital Corporation

9 1/4 % Guaranteed Sinking Fund Debentures Due March 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement of 15th March 1970 under which the above described Debentures were issued, First National City Bank, as Fiscal Agent, has drawn by lot, for redemption on March 15, 1976, through the operation of the sinking fund provided for in said Fiscal Agency Agreement, \$1,908,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000. PRINCIPAL AMOUNT OUTSTANDING																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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5	814544	815643	816742	817841	818940	820039	821138	822237	823336	824435	825534	826633	827732	828831	829930	831029	832128	833227	834326	835425	836524	837623	838722	839821	840920	842019	843118	844217	845316	846415	847514	848613	849712	850811	851910	853009	854108	855207	856306	857405	858504	859603	860702	861801	862900	864000	865099	866198	867297	868396	869495	870594	871693	872792	873891	874990	876089	877188	878287	879386	880485	881584	882683	883782	884881	885980	887079	888178	889277	890376	891475	892574	893673	894772	895871	896970	898069	899168	900267	901366	902465	903564	904663	905762	906861	907960	909059	910158	911257	912356	913455	914554	915653	916752	917851	918950	920049	921148	922247	923346	924445	925544	926643	927742	928841	929940	931039	932138	933237	934336	935435	936534	937633	938732	939831	940930	942029	943128	944227	945326	946425	947524	948623	949722	950821	951920	953019	954118	955217	956316	957415	958514	959613	960712	961811	962910	964009	965108	966207	967306	968405	969504	970603	971702	972801	973900	975000	976099	977198	978297	979396	980495	981594	982693	983792	984891	985990	987089	988188	989287	990386	991485	992584	993683	994782	995881	996980	998079	999178	1000157	1001256	1002355	1003454	1004553	1005652	1006751	1007850	1008949	1010048	1011147	1012246	1013345	1014444	1015543	1016642	1017741	1018840	1019939	1021038	1022137	1023236	1024335	1025434	1026533	1027632	1028731	1029830	1030929	1032028	1033127	1034226	1035325	1036424	1037523	1038622	1039721	1040820	1041919	1043018	1044117	1045216	1046315	1047414	1048513	1049612	1050711	1051810	1052909	1054008	1055107	1056206	1057305	1058404	1059503	1060602	1061701	1062800	1063899	1064998	1066097	1067196	1068295	1069394	1070493	1071592	1072691	1073790	1074889	1075988	1077087	1078186	1079285	1080384	1081483	1082582	1083681	1084780	1085879	1086978	1088077	1089176	1090275	1091374	1092473	1093572	1094671	1095770	1096869	1097968	1099067	1100166	1101265	1102364	1103463	1104562	1105661	1106760	1107859	1108958	1110057	1111156	1112255	1113354	1114453	1115552	1116651	1117750	1118849	1119948	1121047	1122146	1123245	1124344	1125443	1126542	1127641	1128740	1129839	1130938	1132037	1133136	1134235	1135334	1136433	1137532	1138631	1139730	1140829	1141928	1143027	1144126	1145225	1146324	1147423	1148522	1149621	1150720	1151819	1152918	1154017	1155116	1156215	1157314	1158413	1159512	1160611	1161710	1162809	1163908	1165007	1166106	1167205	1168304	1169403	1170502	1171601	1172700	1173799	1174898	1175997	1177096	1178195	1179294	1180393	1181492	1182591	1183690	1184789	1185888	1186987	1188086	1189185	1190284	1191383	1192482	1193581	1194680	1195779	1196878	1197977	1199076	1200175	1201274	1202373	1203472	1204571	1205670	1206769	1207868	1208967	1210066	1211165	1212264	1213363	1214462	1215561	1216660	1217759	1218858	1219957	1221056	1222155	1223254	1224353	1225452	1226551	1227650	1228749	1229848	1230947	1232046	1233145	1234244	1235



## FINANCIAL TIMES REPORT

Monday February 16 1976

## LONDON HOTEL DEVELOPMENT

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THE SUBSTANTIAL alterations which have been going on for the last eight years at Grosvenor House have been of daunting complication.

The original building comprised two blocks, one mainly occupied by flats, with a road in between; a lounge then occupied its place and there was a tunnel access between the two blocks. The kitchen operations were duplicated, the major part of the catering being done in the main hotel block, with much to-ing and fro-ing through the tunnel. A complete reorganisation of the catering areas has now been undertaken with vast improvements both in welfare and operation.

In 1963 Grosvenor House joined Trust Houses, later to join with Forte's and form the THF Group, one of the world's largest hotel and catering organisations. A redevelopment programme was planned on a very large scale for what is known as the Group's "flagship," Grosvenor House. The operation was to be carried out in two stages. The first stage, between 1966 and 1969, comprised improvements to all bedrooms, bathrooms and suites, and the second, between 1969 and 1974, carrying out similar work to the public and staff areas and to the kitchens and engineering services.

Public spaces have been re-planned and enlarged. It is now possible to mount a conference for 2,500 people, 2,000 in the Great Room and 500 in the Ballroom with closed circuit television linking the two. In addition the bedrooms have been upgraded, together with the flats (a continuing process in the latter case with relatively short leases needing constant overhaul and refurbishing). In the hotel area there are 147 bedrooms and, in addition, 47 suites.

When the list of alterations was examined between architect and client it must have seemed



The Lounge following completion of extensive redecoration by Forgas Reardon Ray.

## A landmark refurbished

By H. A. N. Brockman, Architecture Correspondent

that the simplest way to tackle the job would be either to demolish the building or to close it and reorganise the interior in one operation. But the very involved operation was fortunately eased by the departure to other premises of the International Sporting Club which had a substantial amount of club and residential accommodation, thus some overspill space helped the start of the work. Grosvenor House was built in 1930 on the site of an early 19th century mansion belonging to Lord Grosvenor. The facades of the 1930 building were designed by Sir Edward Lutyens. The ubiquitous Pevsner has this to say about this large group, the exterior of which remains unaltered: "There is little to be said in defence... of the stone facing, arching and columnation... and the bare barrack-like walls. From Hyde Park the four square towers... are quite impressive." Of the interior designs much remodelling was done by R. D. Russell and Partners, the latest work having been carried out in 1961 at which time the whole was regarded as "the best hotel interior of its date in London."



The Red Devil bar (named after the Parachute Regiment) which is situated just off the Lounge).

surprising intimacy which is here, as elsewhere, attention of some of pieces of furniture. A continuity is engendered by the not-so-very-long-present are nicely by sculpture by David occupies the central lounge area, taking of four bronze egrets tentatively suspended obvious strings and a fight.

## Panelled

The adjoining Can and Voltaire Suite, as expected, together has more conventional with their fine pane and rich appointment bars under the insy Aesop's and La Fontaine enjoy much good a private decoration. Th a new La Fontaine with suitably fabulo and another called the latter with a Spanish decor. Perhaps successful is the Red suitably dim and red a magnificent tapest in angry colours.

The bedrooms, w been substantially re sometimes rearrang have that homely a avoiding startling stunts and in some retaining in the ha beautiful soft mortie tiling from Germany.

Some facts, th enough, can give so the amount of wor in the Lounge alone. 1,500 square yards o pet which took 11 d Two-hundred-and-fift paint were used on Over 100 individu from nine differer consultants put 2 hours into the wor 13 months.

Throughout the delivery of materi posal of rubbish in the removal of 100 ton with 12 daily collec tailed in with del materials.

Finally the kitche have been complete with air conditioning, a highly sophisticate tion and cooking i into the Great Room foyer with comprising several ments, each under its Here for the first ti floor thus having been ironed out. The foyer contains a conference office, direct-line tele- distributed to their a phones and units for the storage of delegates' brief-cases.

The entrance from Park Street, with reception area and of choice introduces the 'main' lounge, has been greatly improved. This very have experienced beft large space has been well is also a staff bar whe broken up and planned on two can be obtained at different levels. The result is a price.

## DESIGN AND CONSTRUCTION

Consultant Architects: Peter Edmole and Partners

Interior Designers: Forgas Reardon Ray

Engineering: Crown House Engineering

Heating and air conditioning: Rosser and Russell

Main Contractor: Bovis Construction

Quantity Surveyors: Wakeman Trower and Partners

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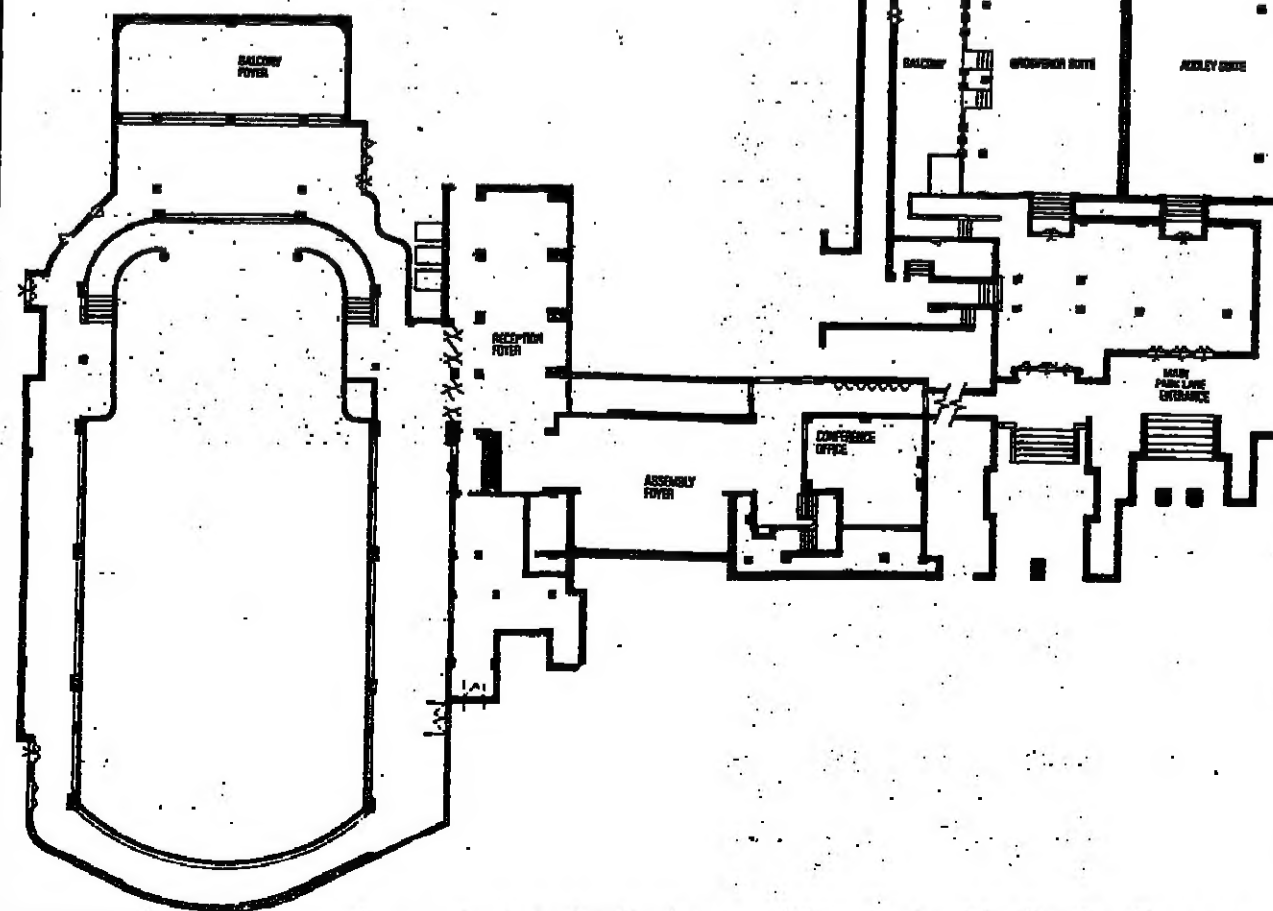
To learn more about the world of THF, contact Peter Cunard at Grosvenor House, Park Lane, London W1. To make a reservation, telephone the THF Reservations Office on 01-567 3444. Or see your Travel Agent.

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## The Great Room

## Ballroom



هناك صالة للرجال



## LONDON'S HOTEL DEVELOPMENT II



Left: The La Fontaine, the de luxe restaurant. Right: The Ballroom, which for conferences and the like is equipped with audio-visual aids and a permanent loop for translations in up to six languages.

## Survival of the fittest

AS NOT many years ago their ability to react to new competition.

However, not only the gods have been on the side of the incumbent industry leaders. The world recession came at just the wrong moment for many in the hotel business and placed a burden on corporate planning which had never been foreseen.

## Prodded

In London the lesson has been sharp enough. In the wake of blossoming demand, notably from the U.S., the Government decided to prod the British hotel industry into some sort of building action. The Hotel Incentive Scheme subsidised hotel building to a considerable degree. It did more than just edge hoteliers and developers into looking to the future, it sent them galloping ahead at full steam. To the shock and surprise of some residents in the fearsome economics prime areas of Kensington, business they never hotels arose apace, although underfoot. But some of the more established groups unachronisms have not revived, they have also front of the rush. Even at that.

Anyone who saw stage people like Sir Charles or House ten years ago, Forte were warning of the dicted it might reach dangers that lay in wait for the 1970s as a paint-peeling newcomers. By the time the building probably be somewhat gramma had gone too far to be d to see it to-day. And stopped, and it was a pro- cities too the estab- gramma which was being oteliers have displayed echoed internationally — the

tourist tide began to slacken. First the dollar weakened, then oil prices soared, and with them air fares. There was war in the Middle East and Watergate in America. The tidal wave of tourism never came, and the hoteliers of the world had to readjust.

Much of the new bedstock had been expensively built. Some of the more recently opened hotels in London have cost around £30,000 a room — which means a rate of £30 a night before there can be any real talk of profit.

Hotels which are this expensive to build and furnish are very highly geared as far as room occupancies are concerned. Since the capital investment is high, a few percentage points off the occupancy levels can produce frightening losses in a very short time. Older hotels are not faced with this basic servicing price to pay. Many of them are either freehold properties, or long lease operations at a relatively low fixed rental. Given that they have some fat on which to feed they have a measure of flexibility which is not always available to the modern skyscraper.

However, this presupposes one or two other basic necessities in the calculations. Even the grandest of mature hotels can be allowed to slip to such an extent that up-dating puts it in the same costs league as a new property. Some properties are so badly designed in the first place that the manpower requirements for successful operation would be prohibitively expensive. And some of the older hotels are simply badly located to-day. In London the centre of social life has moved perceptively westwards over the years. Temple Bar may once have been the heart of the capital, and later Trafalgar Square, but in more recent years even Piccadilly Circus has seen Knightsbridge begin to steal its thunder. As it emerged, Grosvenor House is not only well located, and may in fact have been helped by the proliferation of hotel upstarts within walking distance of its own front doors, but also well suited to adapta-

tion to new needs, and new tastes.

The problem for any hotel to-day is to be all things to all visitors. This is particularly difficult in Britain, where there is still some reaction to hotel living as it is practised in other parts of the globe. The British are not always keen on sleeping in the same building in which they confer and in which they also eat. British hotels frequently have tiny restaurants thanks to the fact that the residents prefer to scurry in and out regardless of the weather in order to forage for themselves in the nearby catering by-ways.

Many hotels have attempted to overcome this in a variety of ways. Restaurants, and certainly banqueting rooms, frequently have separate entrances, and frequently strive for a different identity. At Grosvenor House the thought that people actually comment on the fact that the Great Room has a very pleasant hotel next door is greeted with delight.

It must have come as a considerable relief to the hotel that the basic building lends itself to a handy compartmentalisation without too many problems. There can be few more irritating things for normal individual hotel guests than to suddenly find themselves swamped by badge-wearing delegates to some convention of spanner sellers. That Grosvenor House is able to separate off its various types of custom makes life a little easier for all.

## Ahead

The task that faces this and other hotels of a similar style (at the risk of upsetting THF chairman Sir Charles Forte who is obviously convinced there is no other hotel of similar style) is keeping ahead of the game.

It is not going to be easy. Inflation is likely to take up much of the slack that rests between the older properties and the new ones, so that the rental differentials will not seem as great and the newer properties will find it easier to get the room rates they need in order to be profitable. At

the same time the inevitable to keep pace with change. Certainly there are already indications that some of the almost suicidal room rates being offered by some operators in order to capture enough business to keep them ticking over are beginning to disappear. Realism is returning to the hotel world.

It is pleasant, nonetheless, that even in an age of realism there is still the occasional operation like Grosvenor House. Perhaps in 24 years' time we can all gather in the Fontaine restaurant and look around at the way in which Grosvenor House is entering the 21st century. There is little doubt that it will be in style.

Arthur Sandles

## Why the visiting potentate wound up in Mary Rathbone's little black book.

His Highness was a regular guest at Grosvenor House. He returned every two years, and stayed for up to four months with his entourage.

Mary, our Head Housekeeper, remembers him as a dynamic, forceful man. For example, on Coronation Day, Park Lane was part of the processional route, and the front entrance to Grosvenor House was sealed off.

The worthy gentleman insisted on using it. The route organizers pleaded, the Metropolitan Police threatened. But he ignored them and drove off down Park Lane to be cheered by an unsuspecting crowd.

His Highness was also very particular. He demanded the same two suites and the same four rooms. He decreed their layout and furnishings.

All of which Mary noted in her

little black book, so that on his return everything was exactly how he had left it.

Similarly, there will be things you will prefer should you decide to stay with us.

Perhaps a view of Hyde Park, or a special vintage wine. Flowers in your room, or oysters for breakfast.

Rest assured they will be available when you return. Trust Mary, and her little black book. Like the potentate's elephants, they never forget.

After all, any hotel can offer you soft beds and agreeable surroundings. In the Grosvenor House tradition, we offer you great people, too. Call us on 01-499 6363, or at our Central Reservations Office on 01-567 3444.



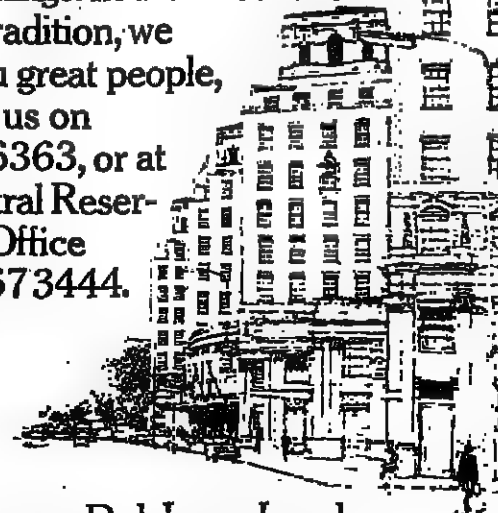
PHOTOGRAPH BY LICHFIELD.



Hotels

Grosvenor House, Park Lane, London.

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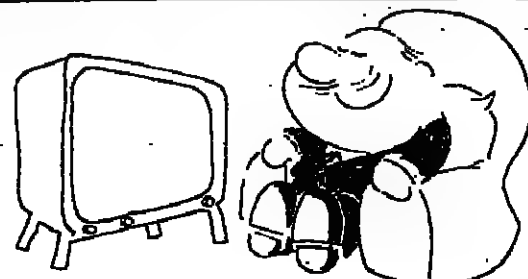
gratulates GROSVENOR HOUSE  
on completing their re-development  
programme, and wishes the Hotel  
outstanding success for the future.

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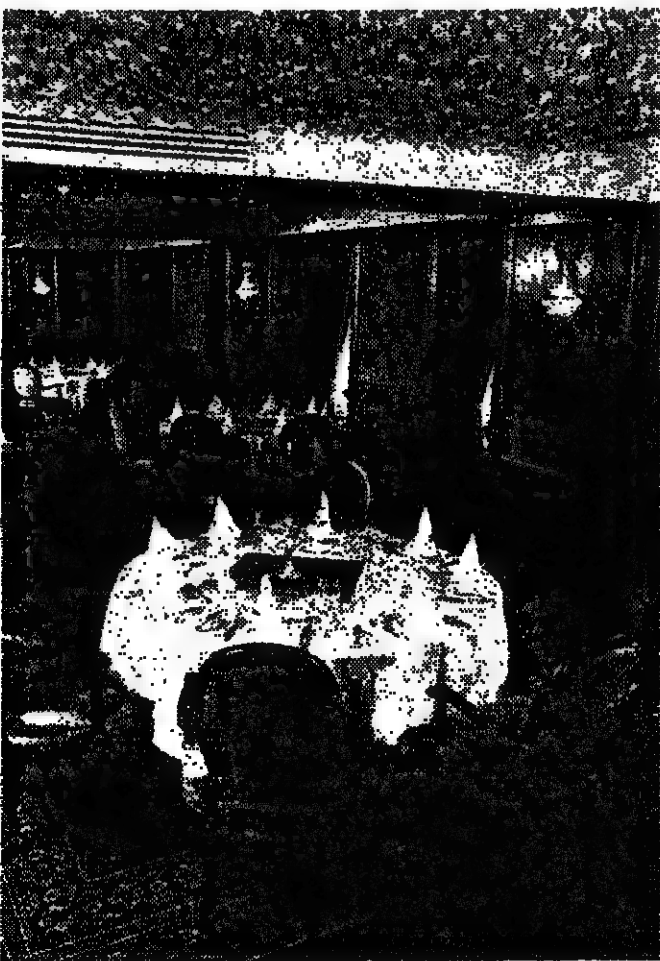
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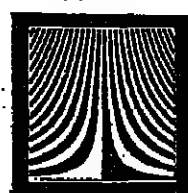
Grosvenor House guests watch  
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The Voltaire Suite for banquets for up to 120 diners.





# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● POLLUTION

### Economises plating bath metals

RECOVERY OF chrome and nickel from plating baths is possible with a device developed by Corning to allow plating to reduce their costs for plating chemicals while helping them solve their pollution control problems.

A compact unit, the Corning equipment has fully automatic one-button operation, eliminating the need for operator training. It is fully operational within five minutes after being turned on. In the event of a problem, the unit shuts itself down automatically, and an alarm light indicates the location of trouble.

Essentially, the unit is an efficient water remover that recovers concentrated plating chemicals.

When used just for partial recovery from a plating line's first rinse tank, the unit reduces requirements for plating chemicals by as much as 90 to 95 per cent, by recovering the chemicals from the drag-out plating solution.

Key component is a climbing-film evaporator with refractory metal vertical tubes heated by steam in the shell. The shell-and-tube unit is similar to evaporators that Corning has

supplied to chemical process industries for many years.

The system includes a separator chamber that assures separation of "water-white" water vapour from the droplets of concentrated chrome or nickel solution; a shell-and-tube condenser-cooler that produces distilled water for recycling to a designated rinse tank (this contains less than 3 ppm metal impurities); a vacuum pump that maintains one-half atmosphere of absolute pressure, the level of vacuum calculated for best performance and economy in chrome recovery and of a control panel system mounted on the unit for automatic control of all functions.

Each unit requires 12 square feet of floor space, plus three square feet for the vacuum pump to handle conventional chrome, proprietary decorative chrome, plastic chrome etch, hard chrome, dichromate conversion coatings, proprietary bright nickel and proprietary semi-bright nickel.

Corning Process Plant Division, Newstead Industrial Estate, Trentham, Stoke-on-Trent ST4 8JG.

## ● COMPUTING

### SRL extends products and support

EXTENDING its range of computer peripherals, Systems Reliability has bought the entire remote terminal and video display interests of Electronic Associates.

Following this £2m. deal, SRL takes over total responsibility for the manufacture, marketing and maintenance of all EAL terminals.

In addition, SRL has bought

the complete EAL spares hold-vide and service support equipment and is putting both the DCT 132 remote batch terminal and another more advanced terminal to be called the 132A, into production.

Marketing, sales, and systems support and maintenance for the 50 or more terminals already installed in the U.K. will be provided by Systems Reliability from its Luton operations centre. Production of the terminals will build-up rapidly at SRL plants in Luton and Hill-end, Fife.

One direct result of the purchase is expansion of the existing Systems Reliability branch in Brussels, which serves customers and installations in France, Germany, and Holland as well as Belgium.

Users of Digico Micro 16-V microcomputers will be interested to learn that Systems Reliability is expanding facilities and round-the-clock service support for this range.

The company is already contracted to provide full servicing and maintenance support for Digico machines installed on British Rail Southern Region, 33681.

## ● CONFERENCES

### Micros in controls

A TWO-DAY seminar to explain and give practical examples of the use of microprocessors in industrial measurement and control systems, is being organised by Sira Institute in association with Warren Spring Laboratory and will be held at The City University, London, October 6-7, 1976.

The programme will interest engineers and technologists concerned with the manufacture or use of industrial instrumentation and control systems. It is Sira Institute, 50 Chislehurst, Kent, SE26 5JF (01-467 2634).

## ● SERVICES

### CAD Centre threatened

THE UNANIMOUS recommendation of the twelve-member (nine civil servants and three from the industry) ad-hoc Computer Requirements Board set up last year by Sir Euan Macdonald, chief scientist to the Department of Industry, that the Computer Aided Design Centre at Cambridge should be scaled down, may provoke a storm.

There are already disagreements in Whitehall and in the computer industry. The ASTMS has put down a Parliamentary question and has been answered with the statement that "no decision has yet been taken".

The Department of Industry has, in fact, been promoting the work of the CADC, and the first knowledge some senior civil servants had that such a recommendation had been made was when they were asked about it by journalists.

Within computing and the computer industry, the Centre has long been contentious, attracting as many supporters as detractors. Among the latter are to be found some senior people within the software houses who consider that the Centre, supported by a grant in aid and costing about £5m a year, provides unfair competition. The line here seems to be that the Centre's role should be handled by industry, though new in the past have ever indicated that they were willing to make the required investment.

Some CAD specialists feel this is a classic case of sour grapes. While not all agree that the CAD Centre is doing all that needs to be done, they take the general line that the Centre is the only one we have, that it has done a reasonable job, and that its best years are yet to come, particularly because teams of this kind and size (the Centre is 120 strong) and the recommendation would cut it down to 20, as well as changing its role) take years to build up.

It is known that the recommendation does not mean the DoI intends to support work in CAD whether putting the air about who is to maintain some of its services.

## ● HANDLING

### Hardboard bins made to measure

BELIEVED TO be the first commercial application of the technique of creasing and folding hardboard, a storage and transit bin made by this method is now in production by Pressboard, Nailsworth, Glos., (045383 2634).

The bin is one result of joint development by Pressboard, the Fibre Building Board Development Organisation (FIDOR) and the Packaging Industry Research Association.

Said to be suitable for a wide variety of goods, the bin can be tailored to individual user's requirements, including the provision of castors. The production technique is stated to be very versatile.

Initially, the bins are 480 mm. high with a 480 x 445 mm. open top, with the sides slightly

tapered to allow nesting when empty. Construction is by creasing, folding and securing the hardboard with bifurcated rivets.

### Tunnelling under Bristol

A specially modified Dosco TM 1800 tunnelling machine has been put into service by Bovis Civil Engineering to excavate the 1,700 metre southern foul water interceptor beneath Bristol.

The machine's rotary cutting head operates inside a shield which is "tailored" to match the 2.5 metre diameter of the tunnel. Behind it are primary and secondary conveyor belts, grout carrying ships.

The carrying capacity of the skips is sufficient to allow a continuous cycle of excavation and installation of the tunnel's pre-cast concrete segmental lining.

## ● PROCESSES

### Prints on adhesive tapes

FOR ONE-colour flexographic printing on self-adhesive tapes, Slat Packaging Systems, 23a, Grafton Square, London, SW4 0DB (01-822 4501), has developed the "L-Mini" claimed to be the only compact unit available for this application.

Made from a monobloc light alloy casting, it weighs 85 kg, measures 620 x 565 x 335 mm, and is suitable for bench or desk mounting. It is powered by single phase 400V variable speed motor.

Output is up to 60 rolls of 96 metres per hour, printing at speeds from 15 to 110 metres/minute on rolls up to a maximum diameter of 170 mm. It will print on tape up to 50 mm wide with text lengths up to 314 mm. It is also capable of rewinding badly wound or dished rolls at speeds up to 110 metres/minute.

### Automating agency jobs

COMPLETE low cost media services for advertising agencies are announced by Young and Rubicam and CMG Computer Management Group (Middlesex), 01-576 4363.

For television and radio air time and advertising space in voicing, the system has been launched after five years of development and trials by the two companies.

Mediator (Media Time Ordering and Reporting) is offered as a complete service run by CMG on its own computers. As a comprehensive service it should run at a much lower cost than systems currently offered by the specialist computer bureaux providing services for advertising agencies.

Mediator will control the booking, scheduling and invoicing of television time, press space and radio time.

The system covers daily input of booking records and other client information and the subsequent automatic updating of a comprehensive master file. This computer file is used as the basis for the automatic production of invoices, summary invoices, credit notes and adjustment invoices, based on calendar months or fiscal periods (depending on how the client is serviced). When producing invoices, Mediator can automatically take into account all agency and service discounts as required, and add service fees where applicable. Additionally schedules are produced showing

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

a plan of the advertising campaign. This can also be based on calendar months or fiscal periods but is required may be different to the invoicing periods.

The automatic schedules can be produced if a client wishes when the client is being invoiced. The schedules will show the current advertising campaign. Additionally requests can be input to the system to produce schedules at any other time, showing different periods to those analysed automatically. Mediator enables the amendment of all rates used in invoicing and report production (for example, volume discounts) and where a rate is retrospective, the automatic production of adjustment invoices.

### Pipework stresses analysed

UCC is making available on its 1108 computers a new program designed by the British Gas Engineering Research Station for the stress analysis of large and complex pipework systems incorporated in gas handling plants. GASPE-4 conforms to the requirements of the Institute of Gas Engineers Design Code IGE/TD/8A and provides analyses in accordance with the safety demands of the gas industry.

The program calculates displacement reactions, stresses, fatigue life and is based on the stiffness method, incor-

porating the front solution equation-solving routine, used in the finite element system.

Data is assumed only data of the same data input format is used for as many data sections as possible. For example, the data sections for prescribed displacements, external loads, spring restraints and continuous loads are identical in format - as are those for temperature changes, internal pressure, soil stiffness and cold pull.

UCC, 444 Euston Rd., London NW1 3BJ (01-357 8661).

### Barclays opts for Quantor

DURING MAY this year two NCR computer output on microfilm recorders will be installed alongside Barclays International IBM 370/158 computers, and will be used as computer peripherals. It is anticipated that microfilm recorders could replace up to 70 per cent of their total computer output.

Equipment on order is the Quantor 643-106 and in the U.K. six banks have already installed Quantors.

In addition to standard software, which produces fully indexed and titled microfilm, Barclays International will be taking licence to use at least three of NCR's COM program products. These include the microfiche file update system which could be used to produce a data base on microfiche on customer ledgers and microfiche source listings which provides conversion of compiler print files on disc to COM tape.

NCR on 01-723 7070.

## CONTRACTS AND TENDERS

### BANGLADESH POWER DEVELOPMENT BOARD

Directorate of Purchase, WAPDA Building, 9th floor, Motijheel Commercial Area, Dacca-2.

### EXTENSION OF BID SUBMISSION DATE OF TENDERS UNDER KUWAIT LOAN

All interested bidders are hereby informed that the bid submission date of our tenders for procurement of different ELECTRICAL EQUIPMENT AND MATERIALS UNDER KUWAIT LOAN (Kuwait Dinar 5,575,000, approx. St. £6.5 million) has been extended as shown hereunder along with other relevant information.

S. Tender Enquiry No. No.	Short Description of Materials	Bid Submission Date Original Revised	Shipment Schedule (days) from Date of Starts Complete		Value of Documents
1. PURPOWER/KUWAIT LOAN/75-76/ CONDUCTOR	ACSR & All Aluminium Conductors with Acces- sories	17-2-76	23-76	90 270	Tk.800/=
2. PURPOWER/KUWAIT LOAN/75-76/ INSULATORS	Pin, Stay, Disc Insula- tors & Hardwares	24-2-76	11-3-76	90 270	Tk.400/=
3. PURPOWER/KUWAIT LOAN/75-76/ CONTROL PANEL	Indoor Control & Relay Panel	27-2-76	16-3-76	90 270	Tk.400/=
4. PURPOWER/KUWAIT LOAN/75-76/ ISOLATORS	11KV Gang Operated Isolators complete with Supports, etc.	23-2-76	23-2-76	90 180	Tk.400/=
5. PURPOWER/KUWAIT LOAN/75-76/11KV RECLOSER	11KV OCR with Spares and Accessories	5-3-76	23-3-76	90 270	Tk.400/=
6. PURPOWER/KUWAIT LOAN/75-76/POLE	Steel Tubular Poles with Accessories	9-3-76	23-3-76	120 360	Tk.800/=
7. PURPOWER/KUWAIT LOAN/75-76/POWER TRANSFORMER	33/11KV Power Trans- former with Spares & Accessories	16-3-76	5-4-76	240 540	Tk.400/=

#### Remarks:

- Bids against Tenders of serial No. 1, 2, 3, 5 and 6 shall be evaluated SUB-GROUP-WISE and therefore, each item of Sub-group must be quoted. For the remaining 2 Tenders, evaluation shall be ITEM-WISE.
- All bids shall be submitted by 11.00 a.m. (BST) on the respective dates.

Tender Documents may be had from this office till the day before the scheduled submission date. For the purpose, of the document in crossed Postal Order or Bank Draft favouring the Director of Purchase, BPDB, Dacca, shall be furnished with proper application.

All other terms of the tender remain unchanged.

(Md. Abdul Hamid)  
Director of Purchase  
Power Dev. Board

## ANNOUNCEMENT OF PRELIMINARY SELECTION

### PETROLEO BRASILEIRO S.A. — PETROBRAS

Rio de Janeiro — Brazil

- PETROBRAS requirements to all companies wishing to enter into contracts for petroleum exploration and oilfield development services in Brazil that it will receive applications for the preliminary selection of candidates interested in performing such services in the areas hereinafter specified.
- The said contracts shall be executed in the form of "service contracts," whereby CONTRACTOR shall undertake to perform services for PETROBRAS, provided that CONTRACTOR's remuneration shall be contingent upon the achievement of commercial production.
- In order to obtain the necessary application form, interested companies which can prove their fitness, technical and financial capacity, experience and tradition in such field of the petroleum industry, are requested to contact PETROBRAS, through their authorised representatives, at one of the addresses indicated below:

—Av. República do Chile, 65  
23rd Floor, Room 2338,  
Rio de Janeiro, Estado do Rio de Janeiro,  
BRAZIL.  
—19, Avenue Montaigne,  
75008—Paris—FRANCE.  
—77, South Audley Street, 2nd Floor,  
London W1Y 5TA, ENGLAND.

—1221, Avenue of the Americas, 22nd Floor,  
New York, N.Y. 10020—U.S.A.

- The said application form is to be filled in by the interested company, and then returned to any one of the addresses indicated above, until 5 p.m. (local time), the 16th March, 1976.
- Once the preliminary selection is concluded, the selected companies shall receive a written invitation, whereby they shall be informed of the basic conditions they must comply with for the purpose of making their bids.
- It should also be noted that any such bids shall only be accepted in case the bidders commit themselves to pay for the geological and geophysical data and information and other related data and information available in connection with the areas referred to herein.
- Participation in the said preliminary selection does not and shall not imply the granting of any guarantees, privileges or rights to any of the Applicants, it being understood that PETROBRAS is absolutely free to, at its sole discretion, cancel, remake or dispense with such preliminary selection, or invite whichever other companies it may choose in order to contract with same for the execution of the services referred to in this Announcement.

## AREAS

### CO-ORDINATES OF THE VERTICES

Number	1	2	3	4
I	61°00'W 4°00'S	59°30'W 4°00'S	61°00'W 5°00'S	59°30'W 5°00'S
II	49°30'W 3°30'N	49°00'W 3°30'N	49°30'W 3°00'N	49°00'W 3°00'N
III	49°00'W 2°30'N	48°00'W 2°30'N	49°00'W 2°00'N	48°00'W 2°00'N
IV	39°00'W 18°00'S	38°00'W 18°00'S	39°00'W 18°30'S	38°00'W 18°30'S
V	39°30'W 18°30'S	39°00'W 18°30'S	39°30'W 19°15'S	39°00'W 19°15'S
VI	44°00'W 23°30'S	43°00'W 23°30'S	44°00'W 24°00'S	43°00'W 24°00'S
VII	46°00'W 24°30'S	45°00'W 24°30'S	46°00'W 25°00'S	45°00'W 25°00'S
VIII	46°30'W 25°30'S	45°30'W 25°30'S	46°30'W 26°00'S	45°30'W 26°00'S
IX	48°00'W 28°00'S	47°30'W 28°00'S	48°00'W 28°30'S	47°30'W 28°30'S
X	51°30'W 32°30'S	51°00'W 32°30'S	51°30'W 33°30'S	51°00'W 33°30'S



# Building and Civil Engineering

## HEATING

### Harnessing the sun and wind

Research projects have been launched in Holland to find the most economical way of reducing energy consumption in houses.

One scheme, costing £1.7m, is centred on 11 part of a municipal estate at Oss near Gennep, and is led by the building research organisation Bouwcentrum and funded by the Government and the big industrial group which has its headquarters in Rotterdam.

The scheme, now in the design stage, and expected to be completed in March when four houses will be built to test new solar energy systems for low cost houses. The possible contribution of wind energy will also be investigated.

The houses will have water heaters and the other an electric heater. The former will be connected with radiators and the latter with a normal air conditioning system. Each house will have a 5 cubic metres capacity water tank.

If the houses will also be investigated the possible contribution of wind energy to heat. An extensive programme of measurement is due at the end of this year and the first house will be occupied in mid-1977.

Second scheme is in conjunction with Bredero (Building) and TNO (Delft Applied Physics).

In conjunction with the first scheme, a subsidiary of Bouwcentrum, is testing a special boiler employing a technology developed in Britain by Fluidfire research work carried out by D. E. Elliott at University of Aston, Birmingham. First report on the project appeared on this page 15, 1974, when industrial ones of the fluidised bed

heat exchange system were suggested.

Basically, the Fluidfire heat exchange system works by "enlarging" the burner area in the heater. This is achieved by the aid of sand, the particles being kept in motion by air movement and heat being transferred via a tube bundle to the water.

The installation now under test at Oss may well prove to be the forerunner of a standard fluidised bed domestic boiler, but until tests, which will not be completed until the autumn, are completed, Harmsen is not committing himself to the idea that a domestic market is assured.

In the event of the Fluidfire boiler proving itself, Harmsen is prepared to undertake market research and installation, but it would not manufacture. It would prefer a royalty deal with production in the hands of a U.K. manufacturer. Much depends on the results of the tests at Oss.

Investigations now under way at Oss cover insulation, air heating, heat recovery from ventilation air and fuel gases, the use of heat pumps, high efficiency boilers, improved temperature control and the use of solar energy for space heating and hot water supply.

Research has begun with studies of heat loss through windows, facades, roofs and ground floors and Bouwcentrum reckons that fuel savings up to 40 per cent are possible. It is also suggested that use of air-tight facades alone could lead to savings of 10 per cent, although mechanical ventilation would then be needed.

It has also been found that fuel consumption is less if air heating is used and this is similar to the case when lightweight materials are used in the construction of a house.

One of the more spectacular activities of Bouwcentrum has been the development of prototype solar energy installations for low cost housing. It is claimed they would not be very expensive



Model of four experimental houses to be built in March.



Fluidfire boiler in house at Oss.

double-glazed top layer, then a 2 cm air cavity followed by a 30 cm thick concrete slab and finally there is a 10 cm thick layer of insulation.

Air passing through the cavity is heated by the concrete slab and is then transported by an air heating system into the house. This type of collector has the disadvantage of heat losses through radiation and the cooling of the heated air by the cold glass.

In the second type of collector air passes through pipes embedded in the concrete slab, thus avoiding cooling by the glass. The slab is also protected from cooling by a screen of insulation installed in the cavity. This screen is made from Rockwool panels covered with aluminium foil.

The screen is moved over the collector by means of an electric motor which is controlled by a photo-electric cell. If there is no sun the screen stays down and it moves up automatically when the sun appears.

The first type of collector is also used to supplement the house's hot water supply. In this case, pipes are installed in the concrete slab, are filled with water and connected to the water heater which has its gas flame automatically adjusted according to the temperature of the feed water.

Bouwcentrum estimates that in an average family house fuel savings for hot water supply could amount to 200 cubic metres of gas a year and a total fuel saving in an insulated house of 2,900 cubic metres of gas a year. Costs are estimated to be around £15,000 (about £1,750) for the collector.

Experiments are being carried out with two types of solar collector. One has a

### £15m. job for Taylor Woodrow

Taylor Woodrow Construction has won a contract worth over £15m. from the National Coal Board Opencast Executive at Treacly opencast coal site, Pantyvaun, Dowlais, Glam.

The contract includes the extraction of about 1m. tons of coal, the operation of a washery and a disposal point, and the diversion of the Fochriw Road through part of the site. More than a mile of new road is to be constructed before operations in that area can commence.

Including restoration, the work is expected to take five years.

Taylor Woodrow has been working for a number of years at the nearby Royal Arms and Rhymney opencast coal sites, under contracts to produce over 4m. tons of coal.

way at Shepherd's Bush, in West London.

Profile of the barrier, has been calculated to ensure that vehicles do not surmount, penetrate or deform the barrier. Instead, they are re-directed back onto the carriageway with only minimum damage to bodywork. Depending upon the speed and angle of impact, the vehicle's wheels climb the slope of the barrier; impact energy is absorbed by compression of the vehicle's suspension system and not by its bodywork being twisted or crushed. Crushing of the vehicle is minimised and the concrete barrier suffers no significant damage.

The work was carried out under the supervision of the London Borough of Hammersmith (director of engineering, J. W. R. Runney), by A. A. King (Contractors). The precast sections were supplied by Redland Precast.

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### £8m. office block

THE PRUDENTIAL Assurance Company has awarded a contract valued at £8m. to Sir Robert McAlpine and Sons for the construction of a 31 metres high, 67 metres by 42 metres on-plan office building in Brooke Street, Holborn, London.

Of reinforced concrete frame construction, the fully air conditioned structure will be supported on piled foundations and served by six passenger lifts. Ground preparation work is now starting and completion is programmed for 1978.

The architect is K. C. Wintle, quantity surveyors are Pritchard Williams and Hunt and consulting engineers Bylander Waddell Partnership.

### Trade union college in Australia

IN A joint venture with AB and MA Chick Pty, Costain Australia has been awarded a £2.2m. contract by the Australian Government to build the Australian Trade Union Training College at Albury-Wodonga.

The complex will be on a 300-acre site and located around a courtyard in four functional groups: administration, training and education, residential accommodation and dining and recreation.

The project includes a swimming pool, lecture seminar, and conference facilities, video studios, a computer area and library.

### Houses in Kent

FPA Finnegan has been awarded a £2.2m. contract to construct over 200 houses for Medway Borough Council in Kent.

The Rochester division of Finnegan which will handle the work, is already building over 140 dwellings for the same local authority on two sites, one at Cliffe, near Rochester, and the other in the Chatham area.

The new contract is on the Princes Park site at Chatham. Work begins on March 14 and will take about two years to complete.

### Good start for Truett & Steel

CONTRACTS worth over £550,000 have made a good start for the year for Truett & Steel of Thornton Heath, Croydon.

The company is to build flats at Thornton Heath (£152,500), at Burt Ash Hill, Lewisham (£106,000) and at Hopton Road, Streatham, London (£182,000) for the Orbit General Housing Association. A £109,000 contract is also to be signed shortly for a residential development at Beulah Road, Thornton Heath, for the Wandsworth Housing Association.

Construction is also to start soon on a chapel in Tite Street, Chelsea, as part of a contract already in hand for a hall of residence, convent and priest's flat for the Daughters of the Cross, Carshalton. Total cost of this project is £1m.

### Profiled concrete for safety

THE first length of concrete safety barrier in Britain has been installed on the A41 (M) at its intersection with the M40 West-

### Homes by the Thames

A CONTRACT for 262 homes plus civil engineering work on the site of Thamesmead's Area 3 is to be let to New Ideal Homes on a design and build basis.

The project, which is subject to planning permission from the London Borough of Bexley, will cost about £4.6m.

The scheme includes 80 one-bedroomed flats, 82 three-bedroomed houses for four people and 100 three-bedroomed houses for five people. The dwellings will have alternative elevational treatments of facing brickwork, vertical tiling and shipboard boarding.

### IN BRIEF

A contract worth £11m. has been awarded to Roadworks Ltd for improving the A604 from the Giron outskirts of Cambridge to Bar Hill, 3.2 km. towards Huntingdon.

Robert McGregor and Sons has received a £25,287 contract from Warrington New Town Development Corporation for roadworks which will include a roundabout and a steel footbridge.

Two new contracts have been won by John Lelliott with a combined value of £453,000. One is for demolition and rebuilding of Bell Yard, London, W.C.2, and the other is for an extension at Dunlop House, St. James's Street, London, S.W.1.

Cwmbran Development Corporation has awarded Bovis Construction a £500,000 contract for a shops and offices development in Cwmbran New Town Centre, Gwent.

Constructors John Brown has been appointed by BP Trading to carry out engineering design and procurement services for the tract by the Great Glasgow processing facilities to be built at Sullon Voe crude oil terminal for crude oil from the North stations in the City of Glasgow.

Sea Ninian and Brent fields.

John Laing Construction has won a £250,000 contract to build 80 houses at Hatfield, Hertfordshire, from Welwyn Hatfield District Council.

Sient Piling of Paisley, has been awarded a £1m. piling contract by the Great Glasgow processing facilities to be built at Sullon Voe crude oil terminal for crude oil from the North stations in the City of Glasgow.

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100% acrylic	140 tons
6 x 68 nylon	230 tons

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6 x 66 brushed nylon	730 tons
100% cotton	890 tons
100% acrylic	1900 tons
Mixed acrylic	100 tons
Mixed polyester	100 tons

Texts may be obtained from the Direction Générale, 3 rue Anatole France, Algiers (Algeria) on pre-payment of hundred dinars (Dinars 100) or by money order payable to receipt of the documents.

Interested parties already trading with SN. COTEC will receive the texts directly against payment of the equivalent of one hundred dinars (Dinars 100).

Documents, together with usual required documents should be sent in a double sealed envelope clearly marked "Ne pas ouvrir" - Soumission Appel d'Offres No. 003/76 - "Not to be opened" - Tender No. 003/76" to the above address before the fifth day inclusive from the date of the first publication of this present announcement.

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2 Stand Rolling Mill for flattening wire and rolling narrow strip. Complete with edging rolls and recoiler. Reconditioned Modern Used Rolling Mills, wire, rod and tube drawing plants-roll forming machines-slicing-flattening and cut-to-length lines-cold saws-presses-guillottes, etc.	P.O.A.	021-556 0904 Telex 336414
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1971 Automated 25ft Drawbench with pushpointer by Wellman-effective pull 10 tons at 100 f.p.m. and 20 tons at 50 f.p.m. Virtually unused.	P.O.A.	021-556 0904 Telex 336414
New Leibherr 130 J.H.L static tower crane H.U.H. 60m jib length 40m. Lying Ireland. Full warranty.	P.O.A.	Cannock 77661
Leibherr 130 J.H.L static tower crane H.U.H. 40m jib length 40m. New 1974. One contract only of 40 wks. Lying Manchester.	P.O.A.	Cannock 77661
1974 537 KVA G.M. V16 AC Delco generator. 400 hours	£16,000	061-832 7142

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tation to tender has been launched for supply and installation of end to end tube soldering plant (automatic mobile double-jointing—"double jointing automatique mobile").

Interested parties in the above may obtain the necessary documents from the Département Approvisionnement/Stocks, A. 114 rue de Tripoli, Hussein-Bey (Algiers).

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Documents and installation of an automatic double jointing automatique à Hassi-Messaoud and installation of end to end tube soldering equipment mobile double-jointing).

T.R.A., 2 boulevard Mohamed V, Algiers (Algeria), March 15, 1976.

Interested parties are invited to submit their proposals for a period of 90 days, under not complying with the above requirements will be considered.

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**Monday, February 16, 1976**

## Taxes and subsidies

THE ARGUMENT between supporters of taxes on income and taxes on spending is as old as taxation itself, and we are unlikely to see it resolved. There is no painless way of extracting revenue, and it always seems attractive to shift the burden from wherever it happens to be heaviest at the moment. But without seeking any non-existent philosopher's stone, it would probably be generally agreed that direct personal taxes are too high as a proportion of revenue, and their weight should certainly not be increased any further.

In the last few years there has been a major swing towards direct taxation, a large part of which was probably unintended. A Parliamentary answer on December 18 showed that income and surtax, which accounted for only 37 per cent of total Government revenue in the late 1960s, when there was also a Labour Government in power, accounted for 47.1 per cent in 1974-75.

### More important

For many reasons these figures understate the true size of the shift. They exclude National Insurance contributions; and in addition, a considerable part of total revenue was accounted for by Corporation Tax and various taxes on capital. There is, however, another more important reason why the official figures understate the switch. This is because they make no allowance for subsidies. But if VAT is treated as a tax, it is surely reasonable to treat consumer subsidies as negative taxation.

Between 1971 and 1974 the national product rose by 44 per cent, at current market prices. But as Mr. Peter Oppenheimer points out in the February issue of the *Vickers* *Costa* review, *The British Economy*, taxes on expenditure, net of subsidies, rose in the same period by only 6.8 per cent. Direct taxes, including rates, rose by 50 per

## Nigeria's need for stability

LAST FRIDAY'S attempted coup in Nigeria, Black Africa's most populous and potentially its most industrial State, proved abortive. The Government, now headed by Gen. Olusegun Obasanjo, the second-in-command to the late Gen. Murtala Muhammed, remains intact and it seems probable that it will continue with the policies of its predecessor.

Unsuccessful though it was, however, the attempt must inevitably arouse increased concern for Nigeria's stability. The death of the Head of State, General Muhammed, who himself took over from Gen. Gowon seven months ago, shows once again how easy it is for those who come to power through the gun to be overthrown in the same manner. And though it is now clear that the organisers of the coup did not have major support in the 250,000-strong army, the fact that one of the young army officers who failed does not mean that others will not try again at some future date.

Indeed there are suggestions from Lagos that two incipient revolts had been nipped in the bud in the past few weeks, and it is known that, at the time of the coup which brought Gen. Muhammed to power last July, there were several groups plotting against Gen. Gowon within the army.

The motive for the attempted coup is still not known, although the balance of probability must lie with factors internal to the army. General Muhammed's Government had recently announced some top-level promotions which may have embittered those left out. The Government had also announced that it would reduce the size of the army by about a half. Senior officers had also declared their intention to purge the army of what was said to be the extensive corruption, protection rackets, and secret societies.

In the attempted coup the resulting political uncertainty can only complicate the already great problems which beset Africa's giant. Gen. Muhammed's Government had already taken a number of sensible decisions, such as the removal of the capital away from highly congested Lagos, while its apparent determination to tackle corruption and inefficiency in Government was broadly welcomed.

Lockheed's may be the worst case of U.S. corporate malpractice so far uncovered but the company, v top two executives resigned on Friday, is far from alone. A report from Jurek Martin in Washing

# The cash trail leading back to America's boardrooms

WHEN Mr. Dan Haughton and Mr. Carl Kotchian, Lockheed's two top executives, resigned last Friday they did so, according to Mr. Robert Haack, the new interim chairman, because it was felt that the interests of America's leading defence contractor would best be served if they did not remain on the premises.

On the face of it, the case for their departure seemed overwhelming. Merely in the pursuit of selling a few aircraft, the company which they headed had succeeded in threatening the constitutional monarchy in Holland, prompted a major political row in Japan, threatened another one in West Germany, and sparked scandals of imponderable consequences in half-a-dozen other countries. Even though some of the admitted bribery of foreign officials dated back 15 years, the company had none the less acknowledged spending at least \$22m. in assorted under-the-counter payments in the past five years, during which time it was supposed to be on its best behaviour following its rescue from bankruptcy in 1971 thanks to the intervention of the American Government. This seemed a fine way to repay that favour, especially with nearly \$200m. in Federally guaranteed loans still outstanding.

### Which has done what

But Mr. Haughton and Mr. Kotchian may quite seriously be considered a little unlucky. Lockheed's is certainly the grossest case of proven corporate malpractice so far uncovered, but the company hardly stands alone. It is almost impossible to keep an accurate running scorecard of which company has done what to whom and where, but very roughly it looks like this:

At least 30 companies have admitted making illegal payments, domestically or overseas, or have confessed to making legal payments overseas, or are under investigation for one reason or another.

At least \$350m. is known to have been spent on illegal, legal or questionable payments inside or outside the U.S. This is assumed to be the tip of the iceberg.

A partial list of the foreign countries involved includes Holland, Italy, West Germany, France, Japan, Sweden, South Africa, Turkey, Canada, Iran, Saudi Arabia, South Korea, Colombia, Venezuela, Mexico, Honduras, and Panama.

And yet the corporate casualty list is really quite small. Mr. Haughton and Mr. Kotchian now join Mr. Bob Dorsey, the Gulf chairman ousted last month, and Mr. George Spater of American Airlines, forced out two years ago, plus a handful of middle

level executives at Bethlehem Steel and also, more tragically, those who took their own lives. Mr. Eli Black of United Brands and Mr. Walter Roberf, a Lockheed vice-president.

Cynically, it would appear that the only victims have been those in companies which have been under real pressure and would have suffered by their continuing to hold executive authority. Others, more secure but by no means less implicated, like Mr. Thomas V. Jones at Northrop, have managed to ride out the storms with relatively few concessions. Nobody here is seriously suggesting that every head of a multinational company

Washington is not exactly spent on foreign bribes was five or politically naive. It is actually volunteered quite possible that nobody in Lockheed saw anything untoward in dealing with Mr. Adnan Kashoggi, toward the Saudi entrepreneur, was paid \$68m. by Northrop, the commission is puffy when matched against the overall size of the contract—\$2.45m. Grumman, it is again alleged, paid \$28m. for an Iranian deal, but it was worth \$2.2m. The offence only if the bribes are then deducted against American taxes, having been disguised as miscellaneous expenses. And even then detection is very hard—methods of illegal payments, of "laundering" money, are now extremely sophisticated.

Lockheed, for example, admitted he has a hard enough making \$202m. in overseas payments in the last five years, of



In and out at Lockheed: (left) Mr. Daniel Haughton, who resigned as chairman on Friday, and (right) Mr. Robert Haack, the former New York Stock Exchange president who has taken over the chairmanship on an interim basis.



is intimately familiar with everything that has been done in the company's name, particularly when much of the foreign bribery is conducted by middlemen who are not even necessarily on the corporate payrolls. However, the men at the top are supposed to carry the can.

But the problem is that nobody in this country—Government, Congress, business itself or even the man in the street—knows what to do about it or, indeed, even accepts that anything can be done about it. The people who are having a real field-day in Washington are the cynics who suggest that Lockheed's foreign policy has been so much more effectively destructive than the CIA's was in the sixties that the Agency should have been based in Burbank and the moralists (who are beating their breasts over the apparent power of corporate foreign policy—Lockheed, Gulf, ITT—and wondering if there is any point in having a Department of State).

time detecting those payments which companies have admitted making: some Congressmen feel there should be penal sanctions against companies engaged in the practice (Lockheed, the recipient of good value. Government guaranteed loans is probably the easiest to get at in this respect); some people believe that only the accountability profession can nip it in the bud.

But all these suggestions amount to very little in real terms. Even those businessmen who in their more eloquent moments espouse the cause of a new code of corporate ethics acknowledge that, if put to the test and faced with a problem of losing a major sale or not, they would pay up and keep quiet about it. This was the basic message of the survey published last week by the Conference Board.

Indeed many businessmen, concerned principally with the bottom line of the balance sheet, would contend that the money which \$22m.-\$4m. may be considered "bribes" or "kick backs." But even applying this rough 10 per cent rule of thumb still makes, on available evidence, the "commissions" of good value.

### Foreign policy

It is hard to substantiate the argument that there has been a conscious corporate effort to conduct an independent foreign policy, even though the activities of the companies involved have had an undeniable impact on American external relations. It is true that most of the companies involved have been in the extractive sector or engaged in Government-sanctioned military deals; it is true that most of the foreigners who have been bribed have been conservative. But then most businessmen, and particularly those in the aerospace sector, are themselves conserva-

If American endeavours so hard to accomplish, unrealistic to expect international efforts to be achieved through operation of the at profession. Some officials, particularly SEC, profess themselves at what auditors h tioned as being in with normal business. But blaming account not be entirely fair auditor may very reas nothing exceptional pious in the charge \$50,000 in miscel penses on a multi-m order. However, it pointed out that it heed's accountants tipped off senior me back in 1973 that if earned about the size foreign "commissions. Thus the cycles in ton may be the real make one obvious co that American comp "fat cats" of the polit had found it ridiculous Law, even before the Court partially rew month, which was d curb their activities make a further a cynical comparison—public furor over companies have be overseas will never level of concern over CIA was up to becau cans inside this co not directly affected Americans themse insured to reports ( and corruption since prevalent domestic

### Watergate scandal

They therefore su the most likely cou will be one of vol involuntary, disclosa a comparison may be the Watergate sca White House dem until Judge Sirica by getting McCord which, in turn, of floodgates. It was lation of illegal financial contributor President Richard N pierced the corporate initially domestically internationally—which ing to the state of all no clandestine activi be considered safe in scrutiny. And this only may, be the most deterrent. Blowing it is now a major pastir country: it brought Haughton, Kotchian as just as it did Nixon, F hand, the latest to confess, and Ehrlichman.

## MEN AND MATTERS

### Running Cummings...

Is Canada particularly kind to British businessmen? The question is prompted by the coincidental exodus of at least two property developers and one cider man. The property people are Peter Kirwan-Taylor, finance director of English Property Corporation, and James Andrews, until now joint managing director of Capital and Counties Property.

Andrews is going to Toronto to run C and C's 62.4 per cent-owned Canadian subsidiary, Abbey Glen Property Corporation. English Property, once known as Star (Great Britain), has a slightly higher (66 per cent) stake in its own large Canadian interest, the Trizec Corporation. But 46-year-old Kirwan-Taylor, very involved in Trizec's hectic early days, is not going out to run that; he is leaving EPC to become president of Maxwell Cummings and Sons, a business owned by one of Canada's richest families.

Maxwell Cummings himself is now 78. He founded an industrial and property partnership in Montreal in the 1920s, and the business has been continued by sons Robert and Jack. The property side went public in 1969 under the name Cummings Properties, and was bought out the following year by Trizec for about \$44m.

Unofficial estimates lately have put the personal fortunes of the three Cummings at somewhere above \$20m.; the consideration for the family stake in Cummings Properties was \$17m. Kirwan-Taylor's brief will be to "find, negotiate, administer and ultimately sell" \$5m. to \$10m. stakes in industrial concerns, particularly those involved in natural resources. Kirwan-Taylor's capitalism is of the sturdy kind and a major incentive for him is



"Denis wants Eric to accept his pay cut to get the Phase Two negotiations off the ground!"

the promise of personal shareholdings on each deal. His working life started with accountants Peat Marwick Mitchell, after that spending ten years with merchant bankers Hill Samuel, much of the time on the complex mess that was Trizec's beginnings.

Other directorships include London United Investments, which he and associates took over in 1970, and Group Lotus Car Companies. His stepfather was chairman of the old Lagonda company, which gave Kirwan-Taylor a fascination for car design, and he and Colin Chapman of Lotus collaborated on two Lotus models in the fifties. As for the Cummings connection, he sees Canada as still a country where such a wealth can be developed; he declares that even those British families who have lots of cash to invest tend to be "very, very unadventurous" with it.

which killed more than 100,000 people and in those days caused losses running into millions of pounds. Predicting the consequences of an earthquake of similar strength in 1976, and taking into account Japan's high rate of industrial growth since the last war, the Fujita Industrial Technology Centre has worked out that the country would have to meet losses totalling the equivalent of nearly \$90bn.

The ultra-gloomy conclusion is that such a disaster would destroy normal economic activity, create a recession that would turn Japan back into one of the world's poorest countries—and produce internal inflation of 200 per cent.

### Maud's already out there

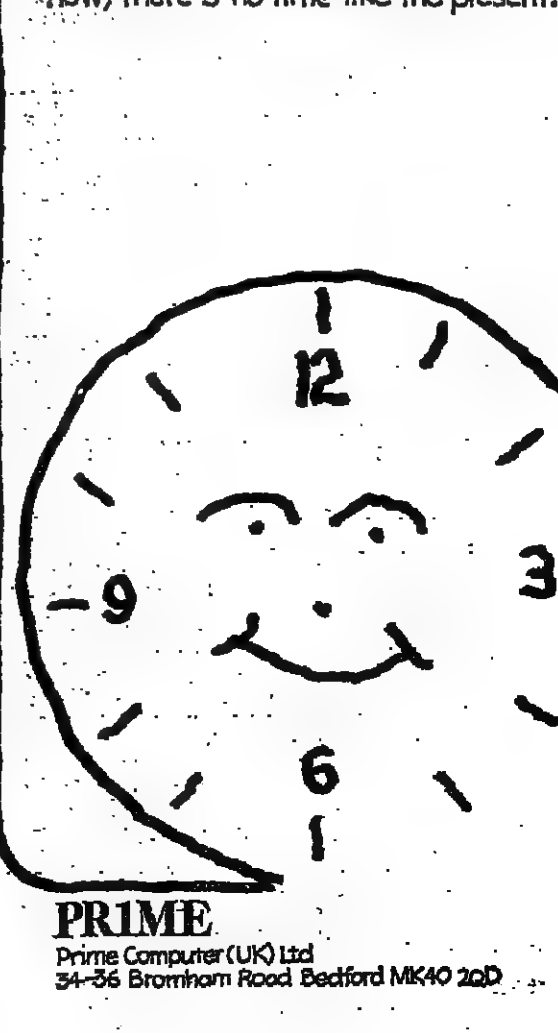
Women, in this year of their liberation, are gradually assuming the role of gardeners to the nation. According to a recent survey they are responsible for most of the work in more than half of the country's gardens and of that half it is thought that over 30 per cent are the sole responsibility of a woman.

These facts emerge from the preliminary research done by Orbis Publishing which is launching this week a 104-week part work on gardening called (you guessed) "Green Fingers." Orbis reckons also that the British are the world's champion gardeners. Eighty per cent of all private households have a garden and nearly two-thirds of the adult population claim gardening as one of their hobbies. It is also revealed that 8 per cent of gardeners have a gnome, plastic or otherwise, on their plot.

It is based on the massive earthquake of 1923 round Tokyo,

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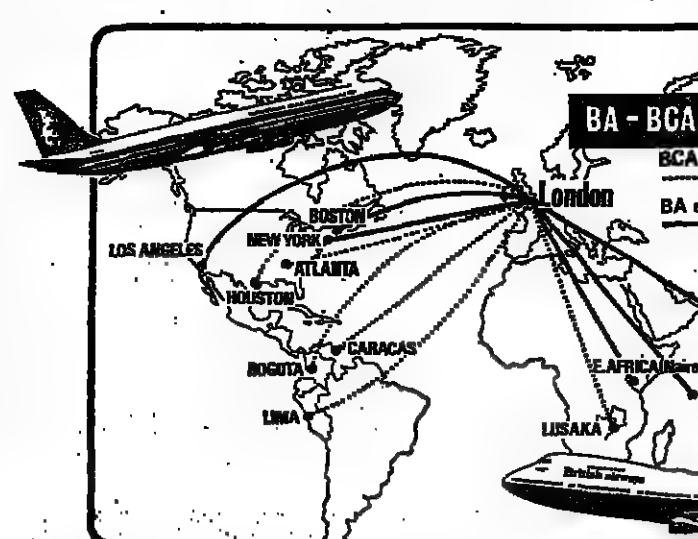
Laker Airways apart, British airlines have greeted last week's Civil Aviation Review with relief. Michael Donne explains why

# Clear skies after an aviation storm

Mr. Peter Shore, Secretary for Trade, has announced details of his Civil Aviation Policy Review, most in the British airline industry are hoping that this is the last time for many years that it will be tossed into the pot for political

outcome of the review, last summer, is a amalgamation of the route of the State-owned Airways and the independent British Caledonian Airlines and the "dual design" that is, competition—British flag carriers on scheduled routes, and on separate "spheres of interest" in different parts of the globe where they can operate without interference from each

seven years after the Edwards Report of 1969 turned the U.K. airline business upside down—creating British Airways by the merger of BEA and BOAC, setting up the Civil Aviation Authority, and creating the "second force" flag airline, British Caledonian Airways—the industry has now experienced another shake-out. It has had a worrying year of uncertainty, hampering forward planning, while the details of Mr. Shore's desire to end competition between British airlines on long-haul scheduled routes and to create the wider "spheres of interest" policy were hammered out. It is the end of this uncertainty that lies behind the welcome—albeit a reluctant one—given to the results of the policy review by the two major airlines involved.



On balance, it is likely that the route swaps now proposed will cancel out each other in their effects on each airline's revenue. Some routes are stronger than others. BCAL says that Atlanta and Houston should yield some £10m. of revenue a year, for example, while BA reckons that the loss of Caracas, Bogota

services are concerned, it will be able to plan ahead knowing that it has full security of tenure of its licences. No other British airline will be allowed to disrupt the market—the exception being if BA should ever want to run a Concorde service through BCAL's "territory."

The merits of this whole situation will always be debatable. BA has consistently argued that BCAL's move into North Atlantic scheduled services did not increase the U.K.'s overall share of the market but merely reduced that part of it held by BA. BCAL disputes this—and both sides can produce statistics to justify their claims. The broad conclusion must be, however, that in such a situation it is better to have one British flag scheduled airline on any one route rather than two. To do otherwise must involve some waste of resources that could better be employed elsewhere. It is significant that neither BA nor BCAL is proposing to fight Mr. Shore on this issue of the ending of dual designation, no matter what feelings each airline privately has on the matter.

route approvals from the U.S. Government. This is not expected to be difficult—no U.K. airline flies on those routes as yet, but it is likely that the U.S. will request the reciprocal designation of a U.S. carrier under the terms of the existing bilateral air agreement. It is not expected, therefore, that BCAL will start flights on the Atlanta/Houston run much before the end of this year or even in 1977.

This leaves the Skytrain as the major outstanding issue. Outside Laker Airways, there are few in the airline business who really disagree with Mr. Shore's contention that Skytrain's validity has been eroded by time. Had Skytrain got off the ground quickly when Mr. Laker first propounded it in 1970-71, it might well have achieved a major breakthrough on the North Atlantic, and many of the subsequent cheap fare innovations—Advanced Booking Charters, Advanced Purchase Excursion Fares, and One-Stop Inclusive Tour Charters—might never have materialised. People would have used Skytrain instead.

**Threatened**  
by the only person who shares this view is Mr. Laker, chairman of Airways, who remains adamant that Mr. Shore's to withdraw U.K. ant approval for the no-frills Atlantic Skytrain will not go unchallenged. His decision will almost be the subject of bitter opposition when proposals come to be made, and many MPs are to feel that Skytrain must be given a chance to prove whether or not acceptable, let alone a method of future travel.

At rest, the primary aim to be left alone with the job of running civil air transport in made difficult enough in and economic recession political decisions issued from above. Only

latter airline, although obliged to give up its rights to New York, Los Angeles, Boston and Toronto, retains Atlanta and Houston).

BCAL, in return, would have liked to retain its interests in exempt charters to Bahrain/Singapore, and rights on other parts of its North Atlantic network besides Atlanta and Houston. But BCAL, with virtually the whole of South America (only Georgetown in Guyana is retained by BA) and West and Central Africa as its main "spheres of interest," feels that it can now at least plan on a detailed, long-term basis, which it could not do earlier.

and Lima will cost it about £3.8m. a year.

In all, the changes, if approved by Parliament, will mean each airline giving up, and gaining in return, route revenues roughly amounting to £2m. a year. Nor will any major unemployment problems arise. Each airline, so far as possible, will take over from the other the relevant local station staff involved, assuming they are agreeable to the transfer. So redundancies are expected to be minimal.

What really matters in the route swap now proposed is that each airline will have a major area of the globe within which, so far as scheduled

**Transfer**  
So far as the start of services on each of the routes involved in the swap is concerned, the situation is more complicated.

On the African and Seychelles routes, April 1 has been fixed for the exchange. On the South American routes, there will have to be discussions with the relevant governments to ensure a smooth transfer of the route licences from BA to BCAL. The aim will be to ensure no disruption of services, with BCAL moving in the meantime BA moves out. So far as Atlanta/Houston is concerned, the U.K. Government must negotiate

Now, many in the airline business claim, the cheap-fare, no-frills market at which Skytrain was originally aimed has been to some extent met by those other low fare developments. Mr. Laker, of course, does not agree. He claims strongly that, even with all the existing cheap rates, he can still offer something different—a one-way, "get up and go when you feel like it" fare with no advance booking or other conditions required, like catching the bus outside your door, when everyone else is offering return tickets only and demanding advanced booking. In his favour is the fact that the

**Desperate**  
The Skytrain argument will undoubtedly rumble on for months. In the meantime, the rest of the U.K. airline industry will be more concerned with getting on with the planning that has been in abeyance since Mr. Shore first enunciated last summer his policy of no more dual designation and the introduction of spheres of interest.

The desire for a period of calm in which to conduct serious planning for the future is almost a desperate one in the air transport business, and everyone apart from Mr. Laker hopes that at last he is going to get it.

## Letters to the Editor

**It incentive to risk**  
Maurice Macmillan.

his letter to you of 13. Lord Brown many aspects of the programme "Man Alive about capital transfer

same terms that such trusts are exempt from the periodic charge that other discretionary trusts attract. Maurice Macmillan, House of Commons, S.W.1.

**Industry-based unions**  
From Mr. P. Liddiard

"The storm of professional engineers' union representation exposes once again the weakness of present union structure for its modern and future roles in the U.K."

When unions are industry-based, as they must be eventually, an engineer in the chemical industry will be a member of the appropriate union for the whole of that section of industry, and would automatically change his or her union membership (with out loss of rights) if moving to a new job in, say, the power generation or metal-working industries. The traditional basis for unions relating to a person's craft is now quashed. It creates inter-union rivalry with the multiplicity of bodies both inside and outside the TUC. An employer or the respective body representing employers for a particular major section of industry need not be faced in negotiation with numerous unions, and both sides could obviously benefit from this.

Is it too much to hope that the present professional engineers' problem could be used as a start towards industry-based unions to speed this process just a little? Cannot the TUC give its member unions a stronger policy lead on this? If it cannot, there will be a long and chaotic haul until we get industry-based unions; but come they must, as they have done in practically all other industrial countries.

P. D. Liddiard, 1, West Wind, Stratford Road, Longbridge, Warwick.

by joint panels, is the preferred method of tackling salary levels in a logical and civilized way. That the leaders of the Council of Engineering Institutions should have come to the conclusion that UKAPE is the right union for charter engineers in industry is greatly encouraging and hopefully the employers will now follow that lead.

John Sampson, Wtr Hill House, West Horsley, Surrey.

**The cost of studying**  
From Miss M. Reinold.

Sir—I read with interest the article by Joe Rogaly (February 10) on the cost of welfare hand-outs to students. He states that "some students really are in need." May I tell him that "some students" means an ever increasing number.

It is almost a year since I graduated. I started work two weeks after finals and had to borrow the train fare. As a polytechnic student I had a 14-week term and my grant was £20 per term—£20 for 14 weeks making £5.43 per week with £5.65 rent per week and £0.75p left for all my food, books, etc.

I worked at an evening job to maintain myself at college, and I did not mind this at all—I learnt the value of money and really would not have liked it handed to me on a "plate." I received no help from home, not because my parents were mean, but because their money was accounted for. There were dozens like me, many of whom would have been discovered by parents did not approve of their studying. Those who had wealthy parents were in very hard times, for parental contribution made up the major part of their grant. I worked every vacation, and I enjoyed it. The only time I was annoyed about the small size of my grant was in the holidays and in particular during the vacation in which I had to prepare a dissertation. It cost me £40 to produce and I lost six weeks' wages, and yet I was supposed to manage all through that time on my £20 which did not even see me through one term.

Student days were some of my happiest so far, but I would much have preferred to have been given some kind of loan to repay afterwards. Such a system would reduce the number who drift into college who may have the brains to get a degree, but who are only there because they cannot think of anything else to do. Perhaps if ratepayers knew that for every one student trouble-maker reported in the Press, there are hundreds working hard who really do appreciate the opportunity they have been given, then faith in the student world might rise a little to the benefit of our society.

Margaret Reinold, Helen Graham House, 57, Great Russell Street, W.C.1.

**Welfare of students**  
From the President, National Union of Students.

Sir—I found Joe Rogaly's article "The cost of welfare hand-outs to students" (Feb. 10) alarming. The statement "Students should not live on social security" and the implication that students do not actively seek employment but instead prefer to idle away vacations on "hand-outs" are wrong. If adequate vacation support were available, students would not need to claim

social security—instead 128,000 have to sign on.

Student figures in no way "mess up" the unemployment figures. The statistics are presented separately—and no change in counting could disguise the current appalling facts of unemployment. To single out the relatively few students who sign on as unemployed each vacation—now 18 per cent. of the total number of full-time students—being in some way responsible for the over-riding numbers of unemployed is ludicrous. What ever drastic steps must be taken now to alleviate unemployment, they should not involve preventing one section of the population from exercising its right to claim benefit.

The full grant is designed to cover thirty weeks with a national element towards vacation support. At present this stands at £2.18 per week. Additional forms of vacation support are therefore of crucial importance. The traditional way of supplementing the grant—by taking vacation work—is often no longer possible especially in the case of students. To imply that students are reluctant to find paid work misrepresents the facts. For financial reasons any student would rather earn a wage than live on the £2.18 per week social security.

The waste of public money in deploying more officials to make sure students are actively seeking work is preposterous. Officials already have powers to withhold benefit from anyone they consider "voluntarily unemployed." Their job would be made impossible if they had to spend their time "getting" students off the books when 40,000 school leavers are looking for permanent employment.

The cost of welfare benefits paid to students is small if set against the total paid out each year. The minority of students who claim are those who need the money most. They are those whose parents are not wealthy enough to support them and those who live in areas of high unemployment. The students fulfil the requirement laid down by the Supplementary Benefits Commission. They are assessed as being in need in the same way as any other member of the public. To suggest that this safety net should be ripped away from students in times of hardship and need is to discriminate unfairly against one section of the population.

Charles Clarke, 3, Endsleigh St., W.C.1.

**Cheap finance for exporters**  
From Mr. L. Smith.

Sir—I cannot let the letter from Mr. Tennant (February 10) go unanswered. Far from being unhelpful, I have found ECGD for many years most concerned in an individual way with a trader's problems. Like the clearing banks, they have proved willing at any time to seek ways of helping the exporter.

There has never been any secret of the preferential rates applying to export business financed by the clearing banks and supported by ECGD. These are currently 1 per cent. above base rate for goods sold on credit up to two years, a minimum of 7 per cent. on goods sold on terms of two to five years, and a minimum of 7½ per cent. for over five year terms. These rates, which are available to firms of all sizes, have appeared in ECGD advertisements and are clearly set out in publicity literature which is free on request.

L. Smith, 8, Barton Avenue, Dunstable, Bedfordshire.

## Today's Events

**Mr. Peter Shore, Trade Secretary.** Shirley Williams, Prices Secretary, opens conference of International Federation of Business and Professional Women, Bloomsbury Centre Hotel, W.C.1. Mr. Hector Smith, general secretary, National Union of Blast-furnacemen, "lights up" Britain's largest blast furnace at BSC's Llanwern works. Sir Lindsay Riggs, Lord Mayor of London, attends British Safety Council presentation of diplomas, Golden Square, W.1. Mr. John Burt Foster, Minister of Co-ordination and Planning, arrives for talks with

**House of Commons: Second reading of Drivers' Ages and Hours of Work Bill and of Fair Employment (Northern Ireland) Bill.** House of Lords: Second reading of Restrictive Trade Practices Bill, Restrictive Practices Court Bill, consolidation measures—and of Prevention of Terrorism (Temporary Provisions) Bill. Motion on London Councils Order. **OFFICIAL STATISTICS.** Retail trade (January—provisional). Turnover of motor trading (fourth quarter). Turnover of catering trades (December). **COMPANY RESULT.** British Enkalon (full year). **MUSIC.** Instrumentalists from Musica Reservata, with Janina Nourzhan (mezzo-soprano), Margaret Philpot (contralto), John Dudley (tenor) and Paul Elliott (tenor) in programme of 16th century French and Italian court music. Queen Elizabeth Hall, S.W.1, 7.45 p.m. King-Lam Woo gives piano recital of works by Mozart and Schumann. St. Lawrence Jewry next Guildhall, E.C.3, 10 p.m.

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**NOTES**







# FINANCIAL TIMES SURVEY

Monday February 16 1976

## MIDDLE EAST SHIPPING and PORTS

The Middle East is now the world's fastest growing trade bloc. The reopening of the Suez Canal and the expansion of Middle Eastern shipping lines are having considerable impact on the world shipping scene, but port congestion is a constraint.

THE almost exponential increase in petroleum prices over the past few years should surprise no one. Middle East countries have been about 20 per cent of the \$135bn. recorded by the Organisation for Economic Co-operation and Development (OECD) in 1975 to have been up 92 per cent on the same period of the previous year at \$21.5bn.—which compared with \$27.6bn. for the whole of 1974.

In keeping with its relatively large population of some 33m. people, Iran has by far the largest capacity within the region for absorbing goods. The country probably imported as much as \$12bn. worth in the course of last year, or twice as much as Saudi Arabia, Iraq and Algeria whose purchases for the year amounted to some \$5.6bn. each. Next come Libya and Egypt with imports in the \$3.4bn. range.

Actual usage of the Suez Canal in the past eight months has abundantly illustrated its advantages for dry cargo. Since it reopened for traffic on June 5 last year, the daily average of ships passing through the waterway has climbed from 12.6 in that month to 37.6 in January. No less than 91.7 per cent of the vessels transiting last year were non-oil traffic. Particularly noteworthy was the number of Soviet and Greek ships—with the Russians accounting for a tenth of the total, 5,532 in 1975.

Only 8 per cent of the vessels traversing last year were tankers, although in terms of tonnage they would have accounted for about 30 per cent of the total—compared

with 66 per cent before the June War of 1967. For Egypt, 150,000 d.w.t. tankers fully laden and 270,000 d.w.t. VLCCs in ballast, giving Egypt a better chance to win back a significant proportion of the Gulf oil business. At a cost now estimated at \$E350m. (the equivalent of nearly \$900m. at the official exchange rate) Egypt will be in a good position to win back a substantial share of the oil traffic, according to present predictions.

However, the second stage of the expansion seems much more problematical. The aim is to deepen the Canal to 67 feet enough—to 60,000 dwt—to transit the Suez Canal fully laden at its depth of 33 feet. Another third of this fleet—up to 150,000 dwt—would be able to use the waterway in ballast on the return journey to the Gulf. With dues set at \$2.05 and high insurance premiums (despite a recent reduction), the Canal is only offering a clear competitive advantage for vessels sailing to Mediterranean and Black Sea ports.

Work on deepening and widening the canal is under way, although the first phase of the expansion seems unlikely to be completed much before 1980. The 53 foot draft planned will

be sufficient to accommodate East's appetite for imports and ability to pay for them has far again. Saudi Arabia has experienced difficulties on a similar scale. By the end of 1975 several hundred vessels were lying at anchor off the Jeddah and Dammam ports despite the fact that both had handled a volume of goods well above their rated capacities. Average waiting time for the year was some 30 days but many vessels had to stand for three months or more before unloading under the system of priorities adopted.

By the end of 1975 the average waiting time for the Gulf as a whole was reckoned to be about 60 days. Nowhere has the failure to build up capacity in advance of demand been more apparent than in Iran. It is reckoned that surcharges resulting from port congestion will cost the country some \$1bn. in the current financial year ending next month.

Iran has made great efforts to circumvent congestion by using road transport, but inexorably the queues at both the Turkish and Soviet borders have lengthened. The \$1.2bn. loan facility extended by Iran to Turkey last year was aimed largely at helping with the improvement of overland transport facilities. Not surprisingly the Shah's Government reacted strongly when Turkey raised transit fees—and succeeded in

forcing Ankara to reduce them. Congestion has proved contagious. For instance, Qatar's port at Doha seemed to be solving its problems last autumn as a result of improved handling and double-shift working until new pressure came from goods for onwards transportation by road to Saudi Arabia. More recently delays have lengthened at Kuwait because of the increased flow of goods for Saudi Arabia and Iraq. Similarly Jordan's Aqaba—where physical tonnage imported doubled last year—has felt the strain because of the calls made upon it by Iraq which has its own grave problems at the head of the Gulf. Traffic has been diverted through the Suez Canal because of intensified congestion at Beirut which, in turn, has

intensified the demand for Syria's facilities at Latakia and Tartous for the cross-country route to the Gulf. Port facilities must necessarily take a significant chunk of capital investment apportioned to infrastructure in the region over the next five years. The scale of the expenditure in prospect can be seen from the fact that the \$800m. contract awarded for the construction of what will be Iran's biggest integrated port at Bandar Abbas and the \$600m. being spent by Saudi Arabia on a new harbour at Dammam.

At the same time, the Arab oil producers and Iran are moving towards fulfilment of their objective of "downstream" participation and gaining "added value" by the transportation of their oil. For the most part they have stuck to the substantial orders placed despite current slump conditions in the tanker business. Nevertheless, it was significant that the Arab Maritime Petroleum Company recently cancelled four VLCCs that were to be built by West German yards and bought smaller ones instead.

However, the entity created by the Organisation of Arab Petroleum Exporting Countries will undoubtedly become an increasingly important element in the international tanker business. The Kuwait Oil Tanker Company has been operating for 10 years and has a considerable addition to its fleet on order which will take its total tonnage to over 2m. dwt. With deliveries in prospect and last year's agreement with British Petroleum, the National Iranian Tanker Company is set to make port trade, a meaningful impact on world oil transportation while Iraq of the rest of the world.

and Abu Dhabi are also entering the big league of VLCCs. In Saudi Arabia joint venture agreements involving private capital and foreign partners are making up for the Kingdom's late start in this field. Algeria, meanwhile, is concentrating mainly on gas carriers.

Nevertheless, Middle East oil producers, in particular the oil producers, are responsible for a bigger proportion of the global order book for dry cargo vessels—probably in excess of 10 per cent, or more of the total—than tankers. With its declared aim of securing 50 per cent of the country's trade, the State-owned Compagnie Nationale Algérienne de Navigation is very much in the forefront here. So, too, has been the bigger Kuwait Shipping Company, already the largest dry cargo concern in the Middle East, whose fleet is to grow from 25 to 47 in the next few years.

All its vessels will be merged into the United Arab Shipping Company, finally created last month by the inter-government agreement involving Kuwait, Saudi Arabia, Iraq, the United Arab Emirates, Bahrain, and Qatar, with a capital of some \$1.7bn. Although Iraq is not transferring its existing dry cargo vessels, UASC may have as many as 150 ships afloat by 1985. Despite its shortage of capital Egypt is continuing to expand its fleet. Iran and Iraq are building up their capacity while Libya has announced ambitious plans for a merchant marine.

It must be true to say that the growth of the Middle East's shipping capacity, like its import trade, is outstripping that of the rest of the world.

### New factor in world trade

By Richard Johns

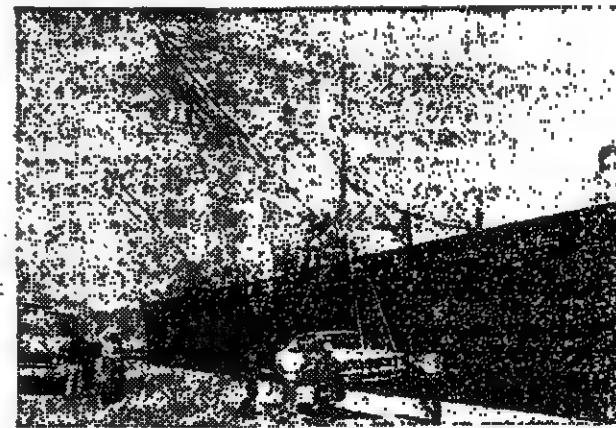
### PORT QABOOS—OMAN'S GATEWAY TO ARABIA



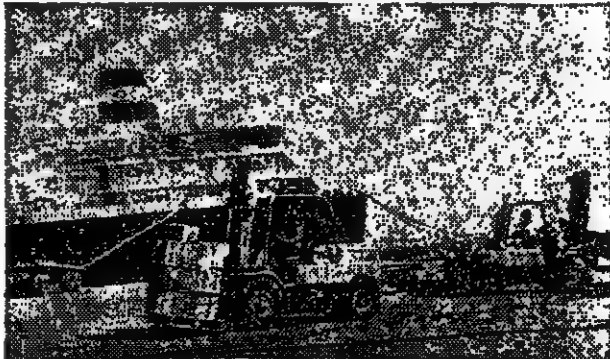
Part of the Port complex



Cargoes unloaded directly into transport for immediate delivery



Vehicles being loaded at Port Qaboos



Modern equipment speeds unloading

It is literally true that the Omani people's close affinity to the sea and ships goes back to time immemorial. Centuries ago, Omani seamen were sailing their picturesque dhows to what is now Indonesia, and other countries of the Far East, to bring back spices and a variety of rich merchandise for sale in the markets of the Arab World. With such a tradition, it was not surprising that, on coming to power in 1970, Sultan Qaboos should give instructions for the development of the existing small harbour at Muscat, Oman's capital, into a modern deep-water port capable of accepting international shipping.

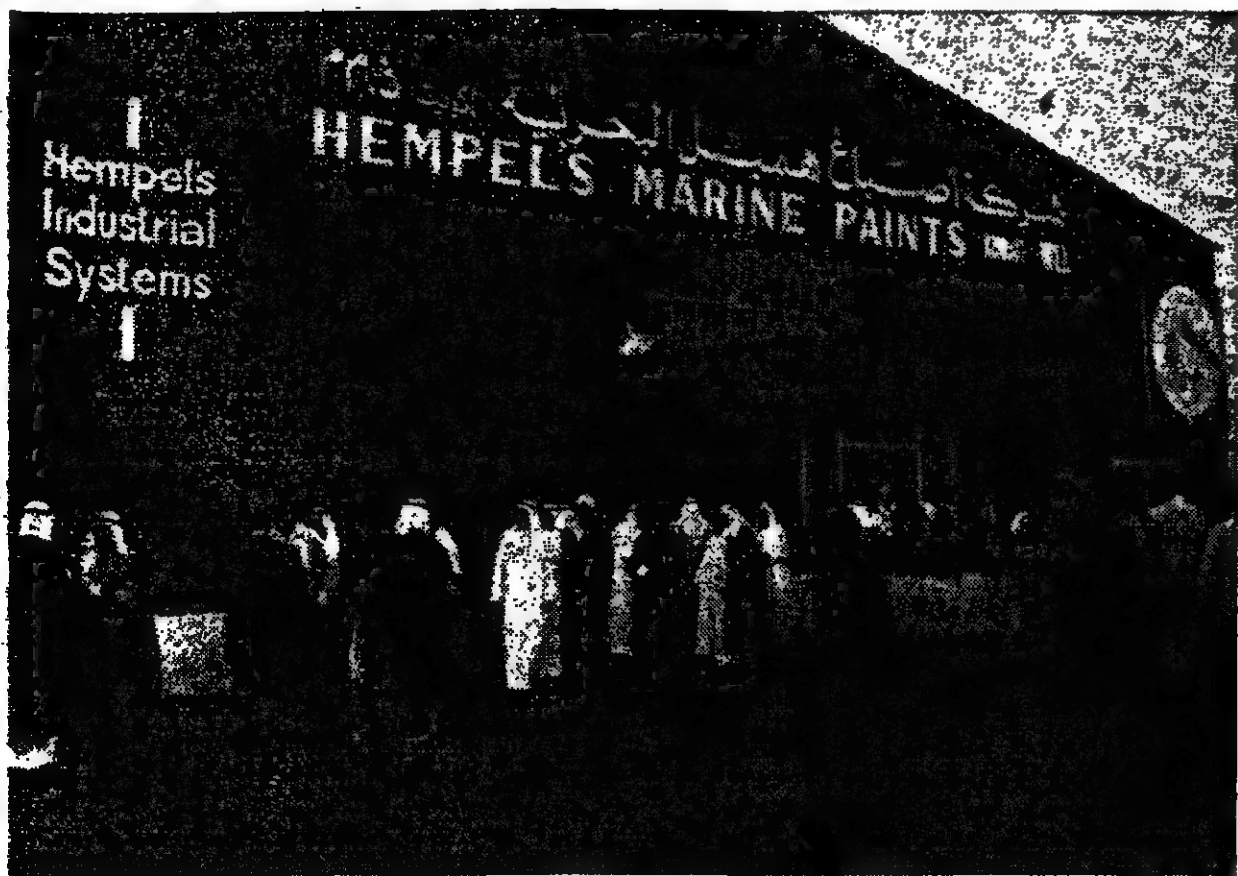
With the official opening of Port Qaboos in 1972, Oman had harbouring facilities worthy of the modernisation and development which has made Oman a by-word for progress throughout the Middle East.

Last year, in addition to shipping from Arab countries, 430 ocean-going ships from 18 of the world's largest trading nations—including Great Britain, Japan, West Germany, Singapore and the United States—called at Port Qaboos. Cargo handled totalled 1,575,938 net tons, an increase of almost 25% over 1974. Commodities included: wheat, sugar, timber, vehicles, rice and building materials of all kinds.

Bulk grain and cement silos, a warehouse complex, and fish cold storage facilities are to be built during 1976. Ship repair capabilities are also to be expanded. Additional modern equipment is to be installed, to speed handling and turn-round.

For further details please get in touch with:  
The Ministry of Information & Culture,  
P.O. Box 608, Muscat, Sultanate of Oman.

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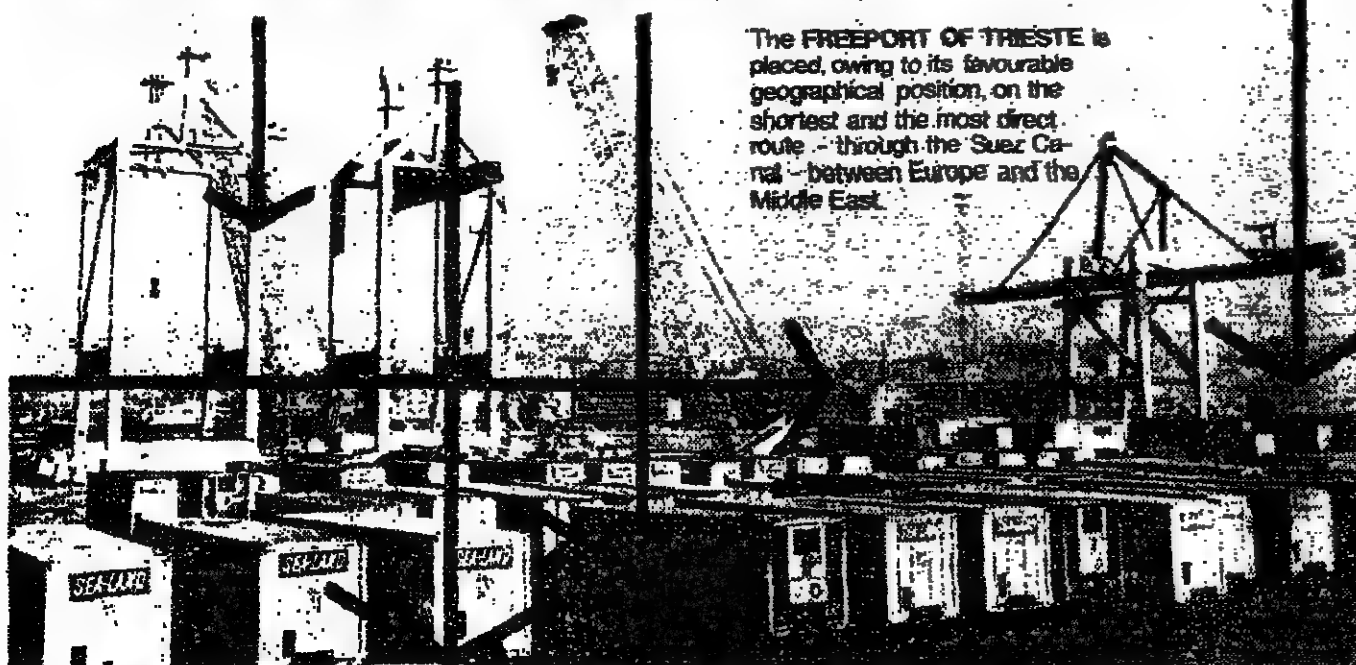
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# Gentle expansion of tanker fleets

WHILE THE Middle Eastern nations' intention to move into "downstream" oil operations is potentially a threat to the interests of oil companies and independent tanker owners alike, their cautious implementation of this policy last year has been a disappointment to many an owner who hoped to find a Middle Eastern purchaser for at least some of his surplus tanker tonnage.

With the number of idle tankers at 500-odd and rising, the Arabs might have been expected to take advantage of the second-hand markets by scooping up a large volume of tonnage at the bargain prices currently available. It is a fact that a number of favourable deals have been made, but generally the Arabs have avoided a rapid expansion of their tanker fleets. Some want to see if tanker prices will fall still further, while all Mideast countries appear aware of the possible constraints on a too rapid growth of their shipping activities. Given that the world tanker surplus will almost certainly depress prices until 1980, and possibly beyond, the Arabs clearly have more time both to build up a fleet operating infrastructure and to develop flag preference arrangements which will almost certainly be used to maximise their advantages as producers.

## Forays

Thus the relatively gentle expansion of Arab tanker fleets over the past 12 months. Some of the new acquisitions have been made by judicious forays into the sale and purchase market and others by a rescheduling of new building contracts. During the year the Saudi Arabians paid \$6.3m. for the Borge Signal, a 102,504 dwt. vessel which rather surprisingly was not laid up. The Kuwait Oil Tanker Company took advantage of plummeting tanker values to purchase the 1973-built Very Large Crude Carrier (VLCC), Takasaki Maru, for \$18m.—roughly \$5m. less than the probable cost a few months earlier.

Algeria appeared to do even

better in the autumn, picking up the John I. Jacobs' Tanker for \$15m. The estimated cost of this tanker on its completion last July was \$25m.

But the world tanker surplus has not worked wholly in the favour of all Arab tanker operators. Those such as the Arab Maritime Petroleum Transport Company, which have new vessels on order, would generally prefer at this time to take advantage of the second-hand market rather than accept delivery of ships ordered when tanker prices were at or near their peak. With evident satisfaction, AMPTC recently announced a partial solution to its problem. This involved the cancellation of two of the four Ultra Large Crude Carriers it has on order from German shipyards. The novel feature of AMPTC's solution was that the company could legitimately claim to have softened the cancellation blow suffered by the German shipbuilders on terms beneficial to the Arab company.

In the case of the Bremer Vulkan yard, AMPTC was able to cancel one ULCC while taking delivery of a sister ship built to a Norwegian owner's account. As part of this arrangement the Norwegian will buy two ships from Bremer Vulkan, thus providing on-going work for the yard. "Although AMPTC will also pay Vulkan an agreed cancellation charge, it will in turn benefit from the advantageous price at which the Norwegian owner will be happy to sell to them," was AMPTC's bland summation of this deal. Similarly, at A.G. Weser AMPTC was able to come to the assistance of a troubled shipbuilder in a move which at the same time clearly profited the Arab company. Here one ULCC was cancelled and in return AMPTC will purchase a similar tanker built for a company which cancelled before the contract was completed.

AMPTC, which is owned by nine Arab countries, including Algeria, Libya, Egypt, Iraq, Kuwait and Saudi Arabia, has indicated that it is still in the market for more vessels. This was emphasised recently in the statement announcing the German deal. Without a trace of irony Mr. Abdul Rahman Al-Sultan, AMPTC's vice-chairman and managing director, hoped that by purchasing smaller crude carriers or possibly vessels of the LNG or LPG types from owners suffering from the depressed state of the market "AMPTC could render real assistance to those owners and at the same time meet the requirements of the world petroleum market in the future." It goes without saying that the needs of this market could be more than met in the foreseeable future without any changes in the current pattern of ownership. However, the Arabs are determined to take a larger stake in oil transportation.

## Impetus

The political card of reopening the Suez Canal has been played. Economic benefits are building up for the future but the psychological impetus is now totally apparent everywhere along the Suez Canal. The breezy calm of Port Said belies the 300,000 people bursting at the seams of the town in housing for 250,000. Ismailia with 175,000 people back from the refuge of Cairo is also crowded, but maintains a more purposeful air, focused on the headquarters of the SCA. Suez, war battered still with Port Tewfik barely poking from the rubble of the war years, has managed to accommodate 150,000 again so far.

In all three towns, unemployment is rife, with largest numbers working on construction, the key employer. New satellite housing developments are impressively far towards completion. But everywhere the visitor is conscious of the other triumphant sight of ships gliding silently along the reopened waterway.

Hand in hand with reconstruction of the battered region is the development of free zones, which Egypt is dangling before the much-wanted but so far little seduced foreign investors as a means of by-passing bureaucratic blockages and onerous financial regulations.

Much publicised and little defined the "free zone city" of Port Said has now lurched into operation. Last June a surprise announcement that it would be a "free city" sent experts running from London to see the implication on the work of the British Port Said planning consultants. Definitions and implications were spelled out and

Port Said's status was discreetly redefined. Six customs gates separate the zone from the rest of Egypt. The city is duty free except for alcohol and cigarettes while customs still operate within the harbour and all imports for local use bear 1.1-3 per cent. dues.

Goods for Egypt pay no dues but are subject to customs at the external checkpoints. Inside Port Said three areas have been set aside for immediate free zoning plans, one within the harbour for storage of perfumes, alcohol and cold stores. Early signs of what will be a thriving smuggling industry are apparent—they were dramatically highlighted in a shoot-out last month between police and a gang in the village of Manzalla, near Port Said, in which five died and 23 were injured in a machine-gun battle.

A more serious issue than smuggling is the economic role for the Egyptian economy played by the free zones. Mr. Osman Ahmed Osman, Minister of Housing and Reconstruction, wants the whole zone to go free once the Port Said zone develops successfully. But Mr. Farouk Abdel Fattah, in charge of free zones in Port Said, admits that he is having difficulty getting manufacturers in VLCCs so one should He said 18 projects had reached the stage of paid up rental for the Port Said sites but they were all storage activities.

However, it still remains to be seen to what extent "out-

sider" participation oil products transport be circumscribed by preference policies Arab countries are following their own flags. For example, is draft time law of its AMPTC's fleet is due to sail under this flag already has decreed cent. of its direct be transported in it and this has obvious for the LNK which will form a n that trade over t years.

## Share

However, it is clear that the Arabs decided how much they want to be res transporting over decade. Despite OP in overcoming trad divisions on a rang no clear consens transportation ques emerged beyond ag the producer coun have a larger share ness. A senior ex-Kuwait Oil Tanker for example, has as saying that the aim to carry 60 i their oil in their o 1980 But this looks prospect since it w the acquisition of VLCC's over the years. Mr. Al-Sultan on the other hand cated a more realis 63 vessels aggreg d.w.t.

However, the OI policies which hay the riches underp time expansion by have also served to major element of about the future operations. Until consumption and n prospects becom "gently does it" is main the major Arab tanker plans.

Shipping C

# Suez Canal ambitions

WHEN PRESIDENT SADAT reopened the Suez Canal last year the move that offered proof of Egypt's peaceful intentions also brought in revenues of \$E75m. (\$96.2m.) by the end of the year and should generate \$E210m. in much needed foreign currency in 1978.

Since the reopening on June 5, 1975, traffic in the Suez Canal has crept steadily up, faltering in October/November, to today's average of 35 ships a day, more than half the figure before closure in 1967. Appropriately a record number was recorded earlier this month at a ceremony marking the start of the first stage of the project to widen and deepen the channel, when Mr. Masbour Ahmed Masbour, chairman of the Suez Canal Authority, announced that 54 ships would transit.

But while numbers climb back towards the heights of 1966 when 240m. tons passed through, European cargo lines have not rushed back except for the Germans. European lines have been sending cargoes through on an ad hoc basis, though Cunard is now sending more vessels through, according to shipping agents in Egypt. The Russians, though, have raced to use the canal.

The nature of vessels in the canal has altered as well, with oil tanker traffic taking second place far behind dry cargo ships. To the disappointment of the Suez Canal Authority the return of tankers has been slow, making up only one-fifth of traffic—a far cry from the two-thirds in the old days.

"The whole situation in world shipping has drastically changed since 1966," said one Egyptian shipping agent. "With a maximum draught of 38 feet the very large crude carriers (VLCCs) cannot get through. Tanker sizes have changed beyond recognition."

The problem is in the hands of Mr. Masbour. When the Canal reopened he had raised dues 90 per cent, which the International Chamber of Shipping pronounced satisfactory. But oil tankers which provided over 70 per cent. of revenue in 1966-67 are slow to return. Passenger ships are thin on the ground, cruises having almost priced themselves from the market. Warships and auto-carriers slip through now and again while container ships are

avoiding the Canal, their owners disgruntled at what they consider an unfair 10 per cent. surcharge imposed by the SCA. Commonest users are small dry cargo ships under 10,000 tons.

For Egypt, canal revenues flowing in now are a drop in the ocean compared to the huge investments proposed for development of the Suez Canal zone. Long-term plans for expansion throughout the region will top \$6bn. Planners believe the master plan development for Port Said, Ismailia and Suez could cost around \$3bn. for each.

The political card of reopening the Suez Canal has been played. Economic benefits are building up for the future but the psychological impetus is now totally apparent everywhere along the Suez Canal. The breezy calm of Port Said belies the 300,000 people bursting at the seams of the town in housing for 250,000. Ismailia with 175,000 people back from the refuge of Cairo is also crowded, but maintains a more purposeful air, focused on the headquarters of the SCA. Suez, war battered still with Port Tewfik barely poking from the rubble of the war years, has managed to accommodate 150,000 again so far.

In all three towns, unemployment is rife, with largest numbers working on construction, the key employer. New satellite housing developments are impressively far towards completion. But everywhere the visitor is conscious of the other triumphant sight of ships gliding silently along the reopened waterway.

Hand in hand with reconstruction of the battered region is the development of free zones, which Egypt is dangling before the much-wanted but so far little seduced foreign investors as a means of by-passing bureaucratic blockages and onerous financial regulations.

Much publicised and little defined the "free zone city" of Port Said has now lurched into operation. Last June a surprise announcement that it would be a "free city" sent experts running from London to see the implication on the work of the British Port Said planning consultants. Definitions and implications were spelled out and

Port Said's status was discreetly redefined.

Six customs gates separate the zone from the rest of Egypt. The city is duty free except for alcohol and cigarettes while customs still operate within the harbour and all imports for local use bear 1.1-3 per cent. dues.

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Planners have voice Port Said could be age and redistribu for the Middle East the original objectiv manufacturing and zone.

While free zonit slowly, the wide deepening of the S already under way. part of work in the which will permit ships of 53 feet dra is contracted to a Jap any. Penia-Ocean C which has two dredg and a third giant dry on the way. The SC for the work with a loan from Japan's Economic Co-operatio

Mr. Gandhi el Hinc of the Canal Shippin Company, believes th be a full public Egypt about long-b development plans. tains, "the econon

must be fully exami is the question of Nor changing world u shipping patterns. will be reduced as refining is done up Arab countries. We the VLCCs w the Gulf to Europe the Canal reduces th culty getting manufactu in VLCCs so one shoul their future develop

Michael

Cairo Corr.

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MIDDLE EAST SHIPPING & PORTS III

# Red Sea and Gulf congestion

E-UP of ships waiting at Jubail, 90 kilometres to the north of Dammam. The new port will serve several big industrial projects planned for the area including refineries, a petrochemical complex and a steel mill. Over \$500m. will be spent on the project, which involves the building of six deepwater berths, capable of taking ships of up to 25,000 tons, an ore berth, a sulphur berth, a port of Beirut, an six bulk berths and three transit point for liquid and gas cargo.

Facilities will also be increased at the Red Sea ports of Jizan and Yenbu, which have now ranks as the country's third port. Other plans include linking by road many of the smaller towns in the west with ports on the Red Sea. This should ease congestion at Jeddah and tie in with projects which are being considered for the industrial development of the ports at Yenbu, Al Wajh and Duba. These ports will be connected by the new Red Sea highway now under construction, moving north to Jordan and south to Yemen.

Productivity has been improved by the introduction of shift work to make better use of existing facilities, and the Red Sea and the Gulf coast has been increased. Dammam ports will get the present management of the Saudi Rail for port and road ways with a new port authority. By the end of the year, the port will have 18 new berths. The International Group and recently won a \$310m. contract to extend and dredge the port. The port is the largest deep water port in the Gulf, to be extended by another 22 berths in an \$83m. contract won by the Costain-Taylor Woodrow consortium. The Government is also considering the construction of another port at Jebel Ali, 30 kilometres from Port Rashid. It had been expected that this

new port would mean the abandoning of expansion plans for Port Rashid, but apparently the Government thinks there will be sufficient traffic for both. Sir William Halcrow and Partners is carrying out a preliminary study of the second port, and is working closely with Sunningdale Oils of Canada which is building a gas liquefaction plant at Jebel Ali and British Smelter Construction which is building an aluminium smelter nearby. Both groups have pressed for a second port which would mainly serve the two projects.

**Transit**

Doubts have been raised about the wisdom of the smaller Gulf states scrambling to build sophisticated ports without any co-ordinated planning. Alongside Dubai's two ports, three other Emirates have plunged into port expansion. Ras Al Khaimah has signed a \$40.5m. contract for the first phase of a port project that will be completed by 1977. Further up the coast contractors are building a port at Sharjah, with six deepwater berths and container handling facilities. Expansion at Abu Dhabi's Mina Zayed port involves the construction of 18 additional berths. Bahrain also intends to expand its port at Mina Sulman to cash in on the increasing transit trade to the hinterland.

Iran's port problems almost defy solution. Over 200 ships are waiting to unload about 1m. tons of cargoes at the country's two main ports, Khorramshahr and Bandar Shahpur. Docks at Khorramshahr are working around the clock and unloading 12,000 tons a day compared with an average of 8,000 tons six months ago, but the warehouses have a backlog of 800,000 tons. Congestion is calculated to be costing the country \$1bn. a year. Condotte d'Acque of Italy has won a contract to construct a commercial port and infrastructure costing \$1bn. at Bandar Abbas. The port will be on the Straits of Hormuz and will have 6.5m. kilometres of wharves. Bandar Shahpur will be extended by a further 28 berths, and a \$25m. container terminal equipped with a computerised control system is being built in Tehran.

Government officials admit there is little chance of improving productivity in the ports in the near future. They are planning their hopes on bringing in more imports on the road and rail links. Over 7,000 lorries are arriving each month from Europe. Cargo is also coming along the Iran-Turkish railway, the Iran-Russian railway, and through Pakistan's Karachi port and along the Baluchistan railway to South-Eastern Iran.

But the overland routes are jammed with the burden of imports, and the recent decision by Turkey to raise toll dues has tied up thousands of lorries on the Iran-Turkey customs point at Bazargan. The congestion at the customs points has been worsened since the Shah's drive against profiteering and hoarding. When the Government ruled that prices should be fixed on the basis of the customs invoices plus a percentage of profit, traders who had under-invoiced have left huge amounts of goods at the customs points.

In an attempt to open up the overland route, the Iranian Government has promised Turkey \$1.2bn. of credits to improve transport facilities. This includes the construction of a transit highway between the port of Trabzon and Gurbulak, Khorramshahr, and the improvement of the Ankara-Erzurum highway, and the extension of the port of Trabzon and the Van-Tatavay rail link. But if these projects aren't carried out, and the ports can't improve their productivity, Iran's ambitious leap for industrial growth will be severely damaged.

Bruce Barnard  
Seatrade

# VAN OMMEREN

head office 10 Westerlaan Rotterdam telex 21435

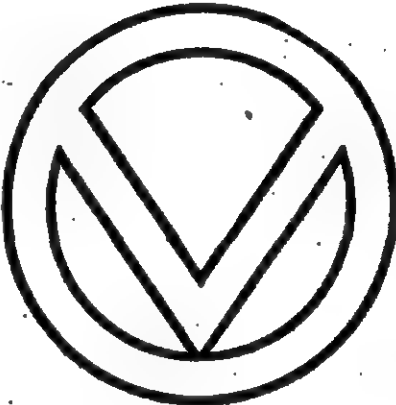
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## Mediterranean ports

that the port of war-torn Lebanon is in will be welcomed by firms operating in the Mediterranean. But what has become a congestion, high and long waiting almost all Mediterranean in the Middle East Africa.

begin returning to Beirut at the beginning of the month and by last (February 9) the port was direct shipments, to shipping sources.

Transit operations in the hinterland and Iran, is not expected to be in some time, in part of the flight of the Iranian workers who had he port. Most of now taken up jobs unloading building under way in Syria replacing them with workers could take

air remains closed shipments, congestion in the Mediterranean and Gulf times to increase. Originally bound for in Jordan and Iraq being diverted to the port of Aqaba. A commodity/sea and road/sea the Black Sea port of in Turkey is also as an alternative to it is the Mediterranean in Syria which are the biggest overload.

**Expansion**

Facilities are also strained at most North African ports along the Mediterranean coast but, by the standards prevailing in the eastern Mediterranean, ports in Morocco and Tunisia are relatively uncongested. The use of more container units at Morocco's big ports, particularly Casablanca, and of lighter barges to facilitate unloading have helped the country to absorb a big rise in imports. These totalled \$700m. in the first six months of 1975, 48 per cent. higher than in the same period in 1974. Several big port expansion projects are also planned in anticipation of an even higher increase in imports and to provide for increases in exports, particularly phosphates and citrus fruits. A Romanian firm is building a new port at Nador on the Mediterranean which will serve primarily as an outlet for iron ore shipments but which is also expected to absorb some industrial imports. Quay installations and equipment at the port of Tangier are also being replaced to provide modern storage, loading and unloading facilities. Work on building a new 1,350 metre jetty at the port of Casablanca is to begin this year and new ports to handle phosphate exports are planned at Jorf el-Asfar and at Essauira on the Atlantic coast.

A rigorous Government programme to ease heavy congestion at ports in Algeria has helped relieve the situation somewhat but given the country's massive spending on industrial plant, heavy machinery, building materials and foodstuffs, only a long-term programme to develop the country's port and transport infrastructure can provide a permanent solution. A crack-down on the country's public sector companies which found it easier to leave imported

materials on the quays or in port warehouses rather than build their own storage facilities began in the autumn of 1974. By last spring about a third of the 180,000 tonnes of merchandise stored at the port of Algiers had been removed. By October 24-hour working schedules were in effect at most of the other ports in Algeria, including Annaba, Mostaganem, Oran and Arzew. Customs clearance procedures for the public sector companies have also been relaxed and duty fees reduced. Delivery of the first of 23 electrically-operated dockside cranes being built with equipment provided by Stothert and Pitt has also begun.

The expansion of grain silos at Oran and Annaba plus the supply of new warehouse and lighting equipment to other ports since November illustrates the priority the Government is giving to temporary measures to ease congestion until the bigger infrastructure projects can be completed. These include the construction of a massive new port to handle dry cargo, liquefied natural gas and oil, 60 miles west of Algiers. A Dutch firm is designing the plans for the port which, when completed in 1985, is to handle between 6.5m. and 8.5m. tonnes of imports and from 9.5m. to 13m. tonnes of exports a year. This would outstrip Algiers port itself, which is not expected to handle more than 6.5m. tonnes by 1985.

Tunisia is also carrying out major improvements to both its port and transport systems. A network of three ports, with separate facilities for general merchandise, minerals such as phosphates, and oil is under construction at Gabes, the site of a projected new industrial complex. The port of Sfax is also undergoing an expansion programme including the construction of a 220-metre quay and two new wharfs.

Port congestion in Libya is estimated to cost the country some \$75m. a year. Surcharges at the port of Tripoli in the west are among the highest in the Middle East. Both Gabes and Sfax in Tunisia are handling some of the overload caused in part by the lack of modern facilities at Tripoli and at Benghazi, Libya's other major dry cargo port. The country's big development programme, on which it plans to spend \$12bn. over the next five years, is expected to increase

congestion even more. Imports required for projects under the last three-year development plan (1973-75) were estimated to have totalled 10m. tons or about \$3.3bn. by September.

To handle these imports, the Government is embarked on a massive port building programme. The first stage of the expansion of the Tripoli port and harbour began in 1971 and was due to be completed at the end of last year. A second stage, estimated to cost \$100m., will add new breakwaters, quay walls, container berths, and storage facilities. Work on constructing new deep-water berths, storage sheds, roads and administration buildings is to begin later this year. The Government hopes that when the expansion work is completed, waiting time at the port will be reduced to around five days. Another major port and harbour project at Benghazi is now out to tender and, when complete, should expand the port's annual capacity from about 1m. tons to more than 4m. tons. A virtually new port is also being built at Ghazal, near Misurata, which is to expand capacity from under 500,000 tons to 2.5m. tons a year. Other expansion work is under way at Derna and at Marsa al Brega, the oil port.

**Capacity**

A major new Mediterranean port is also expected to be built in Egypt, at Dakhelia west of Alexandria. It will be part of a new industrial city which is to be built to accommodate the heavy industries Egypt hopes to set up over the next five years with aid from Saudi Arabia and other oil-rich countries. The new port is to be commissioned in 1978 and handling capacity is expected to rise eventually to 20m. tons of freight a year. Handling capacity at Alexandria, the country's main Mediterranean port outside the Suez Canal area, is also to be expanded from its existing 13m. tons a year. While waiting time there is low now—three days or less—it is to be put under strain by the increased imports the country will need for its Five-Year Development Plan (1979-1980), which is expected to involve expenditure of up to \$11bn.


Pamela Ann Smith  
Middle East Economic Digest

# The British Bank of the Middle East

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Arab shipping policies are now directed at winning a slice

Rahman al Atiqi, the new company will have a capital value of 500m. Kuwaiti dinars, of which KD180m. will be paid up immediately. Mr. al Atiqi is reported to have said that the reopening of the Suez Canal, the Egyptian Navigation Company reckon to have good prospects for increasing its share of inter-Arab trade. At present it has to charter a lot

ing its present fleet of more than

\_\_\_\_\_

W. D. Ewart,  
Editor, Fairplay International

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**HOTELS—Continued**

July 19th Lloyd Total	70	23.22	23.5
Sept. Shower	928	22.8	11.32
July 19th Lloyd	37	1.8	0.7
Oct. Roadwork & H. 20	62	5.1	15.91
Oct. Howard Ten. 20	19	22.8	1.69
July 19th Lloyd	68	21.8	12.4
New. Roadwork Tly.	69	21.8	17.77
Aug. Plank. Int. 20th	419	21.8	
Sept. 19th. Curr. Gen'l	3558	2.2	0.98
Apr. Driveway Lany	4881	2	17.04
New. Roadwork Tly.	22	1.3	1.44
Aug. Initial Service	55	21.8	1.37
Mar. Inter-City	134	20.18	10.4
Dec. Int. 20th	11	1.8	0.45
Oct. 19th. 20th	25	21.8	12.12
Jan. Jones 10th 19	30	112	26.41
June 19th. H. 20	427	11.62	10.74



## 15136

**"Recent Issues" and "Rights" Page 17**



Tenneco admits  
making foreign  
'payments'

BY DAVID BELL

WASHINGTON, Feb. 15.

TENNECO, a large U.S. company with extensive oil, chemical and natural gas interests, has become the latest American concern to release details of what it calls "apparently improper practices" over the past few years.

The company voluntarily submitted details of various "sensitive payments"—at home and abroad—to the Securities and Exchange Commission but declined to say in which countries these payments have been made.

This latest corporate disclosure comes after the resignation on Friday of two of Tenneco's top executives after the company's admission that it paid bribes in several overseas countries in the past 15 years.

At least 50 large U.S. companies have admitted making payments—not all of them illegal—amounting to about \$350m.

The commission said it may not insist that other companies disclose in which countries they have been operating, if they submit details of their actions voluntarily.

## Dangerous

Tenneco said that last March it reviewed its foreign payments and concluded that they were proper, but recently it ordered its lawyers to re-assess them "because of the publicity surrounding the new and emerging concept of 'sensitive payments' and the concern expressed by various Commission representatives."

According to the company's statement filed with the Commission, Tenneco paid \$500,000 to the armed forces in an unnamed foreign country to "protect employees working in remote

and dangerous locations" and for the rental of aircraft and equipment.

The company also said that between 1970 and 1975 it paid \$12m to agents and consultants in about 24 foreign countries and still owes them a further \$12m.

It said that all these payments appeared to have been perfectly legal "but in some cases, the payments are made to the consultant or nominee outside his country of residence and verification of the use of the payments is not always feasible."

Tenneco said that payments worth only about \$10,490 might have been improperly described in the company's accounts and these were being adjusted accordingly.

Inside the U.S. it had maintained a fund, partly financed by "voluntary donations by senior executives," which had on occasion made contributions to local politicians and chairmen of utility companies.

On one occasion, money had been paid to a judge, who later decided a case in the company's favour.

Tenneco said that in many cases it had understood that "the money was given in turn by the recipients to various charitable projects of their choice."

Tenneco has substantial interests in Britain, operated through Tenneco International Inc., the main one being a 49.8 holding in the Albright and Wilson chemical giant.

Subsidiaries of Tenneco International in the U.K. include David Brown Tractors, Globe Petroleum Sales, Tenneco Organic, Tenneco Malros, J. I. Case Company and Tenneco Walker (U.K.). Last November it absorbed the motor component manufacturer, Harrow Industries.

P & O profit 'down'  
—but lower  
dividend unlikely

BY MARGARET REID

P & O, the shipping group, is expected to announce profits this week because of the world shipping slump, are lower than previously forecast, but which should still be adequate to avert any dividend cut.

Since June last year, when pre-tax profits of \$34m. were predicted for the 15 months to December, against record profits of \$45m. in the year 1973-74, the international shipping climate has darkened.

Now best indications are that the comparable outcome for the 15 months, before special items, was rather below \$30m., after taking credit for profits on ship sales, mostly dating from 1974.

However, another factor to be allowed for is that P & O has a large stake in the recently troubled property market, both from its own past activities and through its 1974 take-over of the Bovis building group. Additional provisions knocking several million pounds more off the profit figure appear likely against the property holdings, valued at \$180m. in September 1974.

All the evidence suggests that the group's worst troubles in 1974-75 have come chiefly on the passenger shipping side, where the world recession has coincided with the 15-month period including two slack October-December quarters.

Certainly P & O has cut its passenger services. The Aradria has been among three vessels sold. The likelihood must be compared with earlier City estimates of a break-even position, the passenger side will have incurred a substantial loss.

While not immune from the

storms which have assailed smaller tanker groups in the short-term market, P & O has been considerably protected from the recent slump by long-term charters for its tankers and some bulk-carriers.

Even so, the past months do not appear to have been particularly cheerful for the bulk-carrier side, where much of the company's investment is in joint ventures, notably through Anglo Nordic Shipping, owned together with interests including those associated with the Norwegian shipping group, Hjalmar Reksen.

While P & O's bulk-carrier interests seem likely to have been slimmed, its general cargo side appears to have fared well.

There are encouraging signs on the building side of Bovis, which was acquired in a rescue bid in 1974 when its Twentieth Century banking side had been knocked by the secondary banking crisis.

Twentieth Century should now be managing with considerably reduced bank loans, perhaps rather over £20m. against a peak of £35m.

There have been several indications lately that in the present overcast atmosphere P & O is following a defensive policy, selling off a number of peripheral interests.

Last week brought news of an impending £37m. deal for the sale of the stake in Cathay Holdings, which was acquired in a rescue bid in 1974 when its Twentieth Century banking side had been knocked by the secondary banking crisis.

There have also been signs that the group has disposed of some substantial properties in Paris, perhaps of a value exceeding £20m., incurring losses thereby.

First planning pact  
expected next month

BY ADRIAN HAMILTON

THE DEPARTMENT of Industry is expected to announce the signing of the first planning agreement with British Leyland or possibly Chrysler—early next month.

Reaction from the other companies approached has been mixed, with a surprisingly encouraging response from groups in the process plant and some other sectors particularly dependent on public sector contracts.

There has been a less favourable reaction, however, from some other groups, such as petrochemical companies, which feel that the agreements could prove to be a useless encumbrance on their normal investment and commercial planning.

Talks over the three months since the Government first picked out a number of sectors to tackle have shown just how far the Government has watered down the original concept of planning agreements to get over the objections of the industry.

The biggest single change is the dropping of the idea of a formal planning agreement or written code of practice as such. In its place, the Department of Industry is now prepared to

accept the concept of "an understanding" with companies in which little is formalised in documents and in which companies do not have to open all their books.

At the same time, the idea of detailed disclosure and formal agreement with the unions has now been changed to a concept of more limited disclosure based on discussions at plant level with shop stewards rather than at national level.

The reversal seems to be as much in response to union fears of inter-union rivalry that might result as to industry's fears of the use to which full disclosure might bring.

The planning agreement approach has also moved from one of tackling the country's largest companies to one of tackling the main companies in individual sectors — at present mainly process plant and petrochemicals.

This again follows complaints from industry about the confusion that might result from tackling several different areas of a company's business as one whole.

The watering down of the original concept of planning agreements as a means of exercising Government influence over

company investment, making large corporations more accountable to Government and accelerating union participation at Board level, is likely to arouse strong protest from the Left wing of the Labour Party.

But it is consistent with the view of Mr. Eric Varley, Industry Secretary, and his officials, that planning agreements should be developed as only one part of the Government's industrial policy of encouraging a more constructive dialogue between industry, Government and the unions in a step-by-step development.

Any thought that Government assistance should be used as a weapon to force companies into the agreements has been dropped and the present approach is one of "softly-softly."

In spite of the relatively encouraging response from some companies, including some major process plant groups, those favouring the signing of the agreement still tend to be limited to concerns most dependent on Government assistance or State purchase of their goods.

International companies and those industries who are not dependent on a close relationship with the State remain, at best, highly cynical about the whole exercise.

Overtime  
ban  
call splits  
minersBy Laurence Oulagier  
Labour Staff

A DEEP SPLIT in the National Union of Mineworkers over the proposed national overtime ban became apparent over the weekend as a number of moderate regions decided not to abide by the union executive's decision.

The votes, particularly in the important Nottinghamshire region, are expected to strengthen calls for a special executive meeting this week to reconsider the decision, taken with an 11-10 majority on Thursday.

The decision on whether to reconvene the executive rests with Mr. Joe Gurney, the NUM's moderate president, who is strongly opposed to the ban.

Theoretically, the ban comes into effect today, but any results will not be felt until next Monday because little overtime is worked during the week-end. On the other hand, much essential maintenance and safety work is carried out at week-ends on overtime.

## Decision to-day

After initial strong endorsement of the ban by a number of militant regions on Friday, the moderates appeared to be in the majority over the week-end.

On Saturday, delegates from 33 Nottinghamshire branches voted 155-105 to continue normal working. The area president, Mr. Len Reekens, a leading moderate, said that the Left had walked into a trap of its own making by insisting that the only vote which could be taken was on whether or not to support the executive decision.

Seven of the eight North Staffordshire pits decided yesterday not to abide by the ban. The eighth is leaving a decision until today. There will be branch votes in South Derbyshire today after the area executive described the ban as "nonsensical and ridiculous" over the week-end.

Miners in the North-West, on the other hand, decided to support the ban and in South Wales lodge and pithead meetings supported an area conference decision taken on Friday to join in.

Mr. Charles Churm, the out-spoken moderate secretary of the Sharncliffe Colliery in Yorkshire, said yesterday that the ban was merely a prelude to a complete stoppage in a few weeks' time.

Shell-Esso holds  
gas supply talks  
with Dow Chemical

BY RAY DARTER, ENERGY CORRESPONDENT

DOW CHEMICAL COMPANY is believed to be negotiating with the Shell-Esso offshore group for the supply of gas to feed a new chemical complex—costing over £100m.—in Scotland.

The American chemical group said yesterday that it was evaluating an ethylene plant based on offshore raw material from an offshore field. It is thought in the oil industry that the source would be Shell-Esso's Brent Field.

Mr. C. Benson Branch, Dow's president, said that the expansion would be considered a "possible" rather than a "probable" development at the moment.

"At this stage, we still do not know the price of the gas or where it is going. This must be decided before we can commit ourselves."

Dow, which invested about £100m. in Europe and the Middle East as a whole last year, favours the ethane route for its ethylene manufacturing process—most of its U.S. plants are based on gas feedstocks.

The group's European operations are largely based on naphtha, however, about 3m. tons of the oil-based product is used annually.

## Next round

Consequently, Dow considered following the lead of ICI and other chemical companies and becoming involved in offshore exploration in the North Sea.

Mr. Branch said that uncertainties about Government participation and depletion policies meant that Dow would not be taking part in the next round of exploration licences, due this year.

"We did not take part in the last round because we did not see, we still don't," he said, "of the company's European headquarters in Switzerland."

Dow was unsure about the control it would be allowed over any oil or gas it might find. "If we cannot control where the products go we are not interested."

"We would not necessarily be out to make money; our aim would be to secure raw materials for our plants."

With this in mind, Dow has been negotiating with Saudi Arabian authorities to build a petrochemical complex costing some \$500m. or more. As part of the deal, thought to be imminent, Dow would be guaranteed supplies of feedstock.

## Raw materials

ICI, which has secured between 20 and 25 per cent of its future oil and petrochemical raw materials through its stake in the Ninian Field, has added to its security by agreeing to buy the oil available to the Thomson group from its interests in the big Piper Field.

Thomson has a one-fifth stake in the field which has estimated reserves of some 642m. barrels.

ICI, according to a week-end circular to Thomson shareholders, will purchase its net share of the Piper crude "at the full going market price for comparable crude."

With other such agreements and oil and gas from its own offshore ventures, it is likely that, within a few years, ICI will be able to meet between half and two-thirds of its U.K. requirements from the North Sea.

Reduced manufacturing activity in the chemical industry over the last 12 to 18 months has eased the pressure on raw materials demands. The U.K. market for naphtha last year, for instance, was down 35.5 per cent. on 1974.

There are signs that the recovery, first experienced in the U.S., is gathering momentum. Dow is predicting that this year will be a good year for the company.

In spite of the recession, the group increased its net income to \$615m. last year, against \$577m. in 1974.

The group was also able to maintain its labour force—fewer than 100 of a world workforce of more than 52,000 were made redundant as a result of the economic recession.

## THE LEX COLUMN

A new look at  
bank ratios

This spring, for the first time, the big clearing banks will be taking along their annual accounts and holding individual discussions with the Bank of England. So far the Bank has remained enigmatic over its detailed interpretation of last year's statement—agreed with the clearing banks—on capital and liquidity adequacy. Lloyds decided to make a rights issue because it could see it was "getting out of line with the published free capital ratios in the rest of the sector, not because the Bank of England had indicated that any particular ratio would be more appropriate."

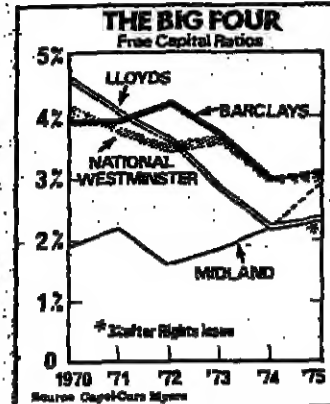
The Bank would never, of course, try to enforce sudden adjustments by the whole sector to any target level of capitalisation. But the clearers will be trying to prise out the Bank's general thoughts on ratios, and in particular its views on what proportion of their investment in premises can be counted as part of free capital. For the moment all that is known is that this proportion will vary between individual banks according to their ownership of small, marketable branches.

The clearers will also be keen to discuss various aspects of profitability with the Bank of England, especially the need for retentions and the impact of inflation. Part of the object of the joint statement—published in the September Bank of England Bulletin—was to create "a reasoned and generally accepted framework" in which discussion of bank profits and retentions could take place.

## Monetary losses

The banks are anxious not to repeat their mistake of failing to put their case to the Sandilands committee, which ignored the requirements of financial companies. They have installed a representative—from Barclays—on the working party which is studying the treatment of monetary assets and liabilities, on the basis of the Mervin Shearing Group. They will be keen to gain tax relief on that part of their profits which is required to maintain the real value of their free capital base. But this might require the reserving of a large part of profits, and sharp reduction in earnings and dividend cover in the same way that current cost accounting reduces average industrial company profits by more than half.

In fact the past year is likely to have seen some marginal improvement in the Big Four's free capital ratios—defined as the capital resources, less the book value of the infrastructure, as a proportion of deposits. Growth of deposits has been comparatively slow—on average well under 10 per cent, despite the relative buoyancy of foreign currency liabilities—and Midland, reducing its substantial whole sale market activities, may show scarcely any increase at all. Moreover Midland, Lloyds and Barclays have all had equity or loan stock issues. The balance sheets are likely to



## Loan capital

Conventional industry, however, is not to its impact on banks, because of proportions of debt in their capital. Barclays, with a high proportion of equity, would see a 50 per cent. on a C 1975, whereas Midland, which has a high proportion of debt, would see a 50 per cent. on a C 1975, whereas Midland, which has a high proportion of debt, would see a 50 per cent. on a C 1975.

One answer might be banks tax relief on which would also maintain, through target free capital, unchanged real value—that is, adjust general rate of return, the banks must treat this part of p distributable.

But this would require decisions on balance which the Bank of so far seemed unwilling to make. Moreover such a year in which it reached 25 per cent. on the basis of a published free capital Big Four would reserve over £300m. their apparently dividend cover.

Fortunately, 1975 is exceptional year, case the future treatment of banks, very much in the speculation. For it does not look as if NatWest or Barclays any great pressure Lloyds down the road. And the yield on the All-clearers having lost five strength they sh perhaps, be regarded as being early weeks of the

## Weather

## U.K. TO-DAY

COLD and dry with bright periods and night frost. London, E. Anglia, Southern England, North England, the Midlands, Wales, Lakes, Night frost and fog patches at first. Dry with sunny periods. Wind light. Max. 4C (39F). Channel Isles, S.W. England Fog patches at first. Dry with sunny periods. Max. 4C (39F). N.E. England, Borders, Isle of Man, S.W. Scotland, N. Ireland. Frost at first. Dry with sunny periods. Max. 4C (39F). Edinburgh, Dundee, Aberdeen, Highlands. Frost at first. Dry with sunny periods. Wind becoming fresh. Max. 3C (37F).

N. Scotland, Orkney, Shetland Widespread frost. Sunny periods with rain later and strong winds. Max. 3C (41F). Outlook: Dry, cold and frosty. Lightning: London 17.45, Manchester 17.40, Glasgow 17.50, Belfast 18.01.

## BUSINESS CENTRES

	Y day	Mid-day	T day
Amsterdam	C 8	22	Madrid S 4
Algiers	C 10	21	Manila S 4
Bahia	C 10	21	Mexico C 4
Batavia	C 10	21	Montreal C 4
Bombay	C 10	21	Moscow S 4
Buenos Aires	C 10	21	New York C 4
Calcutta	C 10	21	Osaka S 4
Canton	C 10	21	Paris C 4
Cebu	C 10	21	Rio de Janeiro S 4
Colon	C 10	21	San Francisco C 4
Hankow	C 10	21	Singapore C 4
Hong Kong	C 10	21	Stockholm C 4
Kobe	C 10	21	Sydney C 4
London	C 10	21	Taipei C 4
Lyons	C 10	21	Tokyo C 4
Manila	C 10	21	Vienna C 4
Medan	C 10	21	Zurich C 4

## HOLIDAY RESORTS

	Y day	Mid-day	T day
Ajaccio	C 10	21	Jersey S 4
Algeria	C 10	21	Las Palmas S 4
Algiers	C 10	21	Lecorano S 4
Bahia	C 10	21	Malaga S 4
Batavia	C 10	21	Maracaibo S 4
Bombay	C 10	21	Medan S 4
Buenos Aires	C 10	21	Nice S 4
Calcutta	C 10	21	Oran S 4
Canton	C 10	21	Paris S 4
Cebu	C 10	21	Rio de Janeiro S 4
Colon	C 10	21	Singapore S 4
Hankow	C 10	21	Stockholm S 4
Hong Kong	C 10	21	Sydney S 4
Kobe	C 10	21	Taipei S 4
London	C 10	21	Tokyo S 4
Lyons	C 10	21	Vienna S 4
Manila	C 10	21	Zurich S 4

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Continued from Page 1

## Booker

It has expanded its sugar machinery engineering business, and has developed a wholesale and retail stores business in the U.K.

It has also avoided putting new capital into Guyana, except on the basis of internally generated funds.

Our Georgetown correspondent adds: It is almost certain that the Booker assets will be vested in the State on May 26, the tenth anniversary of the country's independence from Britain. However, there is marked absence so far of the acrimony which surrounded the nationalisation of the Jessel holdings last May.

The take-over will give the Norman Government almost complete ownership of Guyana's economy with only a few trading and insurance companies and six commercial banks reporting foreign presence in the economy.

New attack on Teng is sign  
of power struggle in China

BY COLINA MacDOUGALL

A POWER STRUGGLE in China over the succession to Premier Chou En-Lai and, perhaps, the more fundamental question of policy appears to have intensified.

The campaign so far seems directed only at Vice-Premier Teng Hsiao-ping. But if he should disappear from political life, his supporters, who are probably among the more experienced and pragmatic officials, are bound to be targets as well.

Fresh criticism of "capitalist roaders" in last Friday's People's Daily and reports of posters at Fudan University in Shanghai apparently alluding to Mr. Teng as China's "second Khrushchev" (the gravest charge made against the 71-year-old Vice-Premier) indicate that the

campaign against him is gathering speed.

Outside China, Teng was widely expected to succeed to the Premiership until Hua Kuo-feng was announced as Acting Premier ten days ago. Hua's surprise appointment coincided with the first attack in the People's Daily on "capitalist roaders" and the opening of the poster campaign in Peking and Shanghai.

Until the cultural revolution, Mr. Teng was closely associated with Liu Shao-chi, formerly Head of State, who was frequently attacked as Khrushchev—a nickname earned for his supposed advocacy of revisionism.

Both were condemned as "capitalist roaders" but Mr.

Teng made a political recovery and re-appeared in the Chinese leadership in 1973.

A Reuters report from Peking says that buses ferried hundreds of people to Fudan University to read criticism clearly aimed at Mr. Teng and ordinary Chinese were being allowed onto the campus without passes.

Quoting sources in the Chinese capital it added that one poster contained a vaguely worded charge that Mr. Teng went against Chairman Mao Tse-tung's line that the party should lead the army.

It is still not clear how far the present campaign is likely to go, but Mr. Teng has not been reported in public since the late Premier Chou En-Lai's funeral.

Continued from Page 1

## Iran oil

had been 1.17m. barrels a day below the agreed level of 4.97m. barrels. Consequently, oil revenue had been \$30n. less than anticipated.

In addition, the companies have been attacked by the Iranian Press for failing to carry out investments worth \$150m.

Behind this controversy is an attempt by the consortium companies to re-negotiate the terms of the 1973 agreement. Although both sides have refrained from public comment it is thought that negotiations are to be started shortly.

These should cover the spectrum of outstanding problems: it is understood that Iran has said it is willing to alter the 1973 sales and purchase agreement, review prices and look more realistically at the amount of liftings from the Abadan refinery. In the meantime, Iran has deferred the consortium's obligation to put up 40 per cent. of the planned 1976 capital investment.